

**BRIDGEWATER-RARITAN REGIONAL
SCHOOL DISTRICT**

**Bridgewater-Raritan Regional School District
Bridgewater, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual
Financial Report**

of the

**Bridgewater-Raritan Regional School District
Board of Education**

Bridgewater, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Bridgewater-Raritan Regional School District
Board Office**

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INTRODUCTORY SECTION



Board of Education
Bridgewater-Raritan Regional School District
 836 Newmans Lane, P. O. Box 6030
 Bridgewater, New Jersey 08807-0030
 (908) 685-2777 ext. 3212
 Fax (908) 231-8496

December 3, 2015

The Honorable President and Members of
 the Board of Education
 Bridgewater-Raritan Regional School District
 County of Somerset, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Bridgewater-Raritan Regional School District (the "District") for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Bridgewater-Raritan Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Bridgewater-Raritan Regional School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12 and completed the 2014-2015 fiscal year with an average daily enrollment of 8,439 students, which is 203 students below the previous year's enrollment.

The Honorable President and Members of
the Board of Education
Bridgewater-Raritan Regional School District
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December 3, 2015

2) ECONOMIC CONDITION AND OUTLOOK: Both Bridgewater Township and Raritan Borough are situated approximately 45 minutes west of New York City by train, bus or car with major highways running through the communities. Both communities are characterized by educated supportive residents.

Raritan Borough is an established community that is almost fully developed. It is a well-maintained, single-family, residential community. Commercial uses serving the immediate area are concentrated on Routes 202 and 206.

Bridgewater Township is diverse and thriving township with a mix of urban and suburban life. The Township is prime ground for many new and large businesses with its location and easy accessibility. It is home to the Bridgewater Commons Mall and numerous major companies in various industries.

The District has had a stable tax base of approximately \$9,270,000,000 and anticipates growth at a modest rate. The District exhibits wealth and income levels that are above state medians. The District has a low debt burden as percentage of equalized valuation.

3) MAJOR INITIATIVES: Bridgewater-Raritan students continue to excel and demonstrate proficiency in local, state and national assessments where data is monitored and analyzed. The District is researching and investigating the possibilities concerning the offering of a full day kindergarten program and an International Baccalaureate (IB) program at the high school. The District is currently in the midst of a STEM initiative.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2015.

The Honorable President and Members of
 the Board of Education
 Bridgewater-Raritan Regional School District
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 December 3, 2015

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board is a member of the New Jersey Schools Insurance Group ("NJSIG"). A complete listing of the District's insurance is located in the Statistical Section of this report on Exhibit J-20.

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Bridgewater-Raritan Regional School District for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

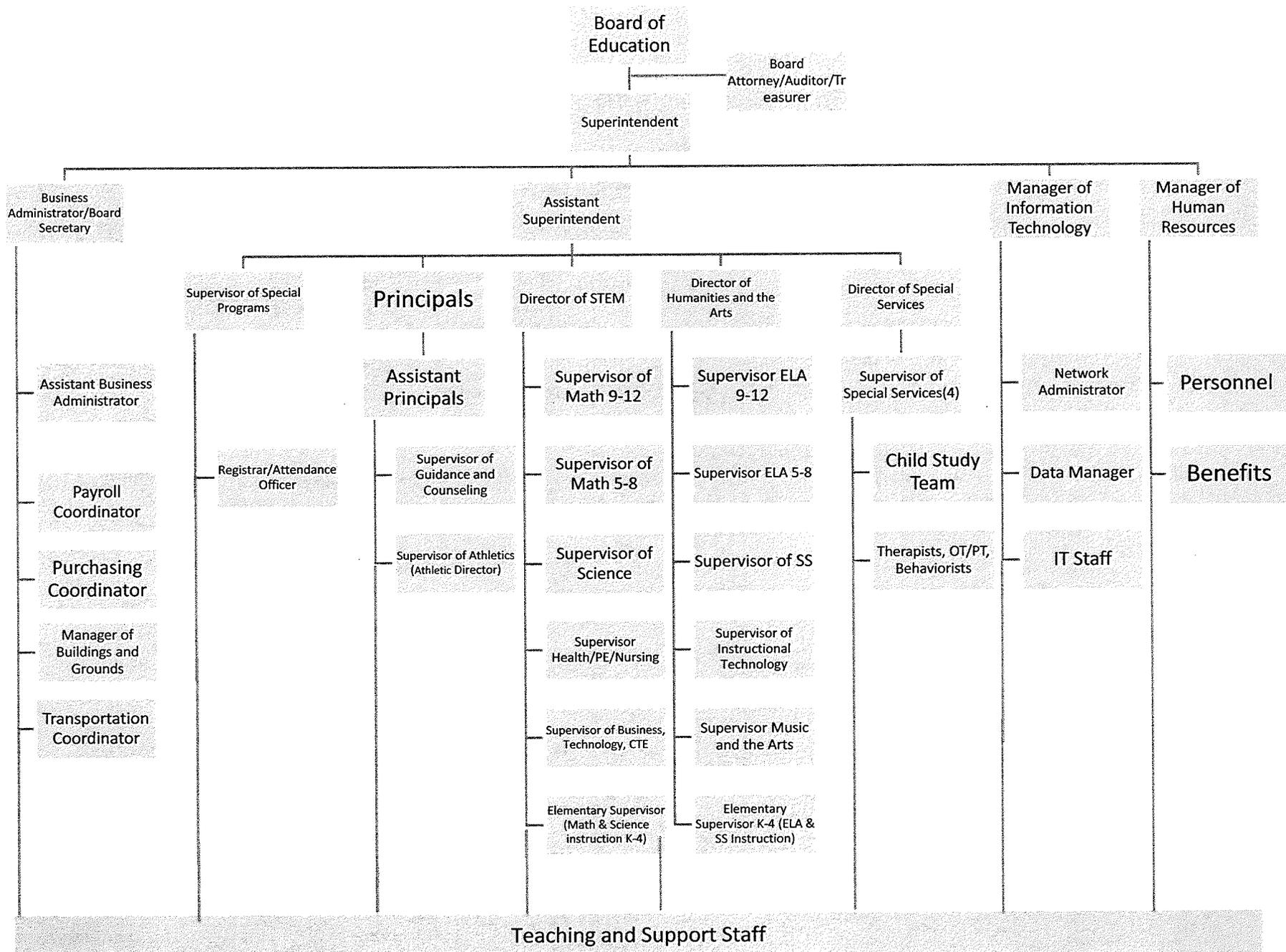
Respectfully submitted,



Dr. Victor P. Hayek
 Superintendent of Schools



Peter F. Starrs
 School Business Administrator/Board Secretary



**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ann Marie Mead, President	2018
Jeffrey Brookner, Vice President	2017
Jackie Barlow	2016
Patrick Breslin	2016
Jill Gladstone	2017
Lynne Hurley	2017
Aaron Kurdyla	2016
Barry Walker	2018
Lisa Weinstock	2018

Other Officers

Title

Dr. Victor P. Hayek	Superintendent of Schools
Dr. Daniel W. Silvia	Assistant Superintendent
Peter F. Starrs	Business Administrator/Board Secretary
Ronald Rossi	Treasurer of School Monies
Nicholas Celso, III	School Board Attorney

BRIDGEWATER-RARITAN REGIONAL BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320

Attorney

Nicholas Celso, III
Schwartz, Simon, Edelstein, Celso LLC
100 South Jefferson Road, Suite 200
Whippany, NJ 07981

Architect

Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

Official Depositories

PNC Bank
Washington Valley Road
Martinsville, NJ 08836

New Jersey Cash Management Fund
P.O. Box 290
Trenton, NJ 08625-0290

New Jersey Asset & Rebate Management Program
821 Alexander Road, Suite 110
Princeton, NJ 08540

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Bridgewater-Raritan Regional School District
 County of Somerset, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Bridgewater-Raritan Regional School District (the "District") in the County of Somerset, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
Page 2

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Bridgewater-Raritan Regional School District, in the County of Somerset, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 16 to the basic financial statements.

Other Matters

The financial statements of the District as of June 30, 2014 were audited by other auditors whose report dated October 2, 2014 express an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the required supplementary information pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 and I-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
Page 3

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nisivoccia, LLP

NISIVOCCIA LLP

December 3, 2015
Mount Arlington, New Jersey

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services program	Instances in which the District administers resources on behalf of someone else, such as student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$520,320. Net position from governmental activities increased by \$277,521 and net position from business-type activities increased by \$242,799. Net investment in capital assets decreased by \$653,938, restricted net position increased by \$685,723, and unrestricted net position increased by \$488,535.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change 2014/15
	2014/15	2013/14*	2014/15	2013/14*	2014/15	2013/14*	
Current and							
Other Assets	\$ 25,618,982	\$ 26,312,227	\$ 967,390	\$ 682,683	\$ 26,586,372	\$ 26,994,910	-1.51%
Capital Assets, Net	59,089,459	62,779,122	223,621	246,789	59,313,080	63,025,911	-5.89%
Total Assets	<u>84,708,441</u>	<u>89,091,349</u>	<u>1,191,011</u>	<u>929,472</u>	<u>85,899,452</u>	<u>90,020,821</u>	-4.58%
Deferred Outflows of Resources	<u>3,198,538</u>	<u>1,415,895</u>			<u>3,198,538</u>	<u>1,415,895</u>	125.90%
Long-Term Debt							
Outstanding	75,097,894	78,258,926			75,097,894	78,258,926	-4.04%
Other Liabilities	4,689,040	6,044,239	208,086	189,346	4,897,126	6,233,585	-21.44%
Total Liabilities	<u>79,786,934</u>	<u>84,303,165</u>	<u>208,086</u>	<u>189,346</u>	<u>79,995,020</u>	<u>84,492,511</u>	-5.62%
Deferred Inflows of Resources	<u>1,638,445</u>				<u>1,638,445</u>		100.00%
Net Position:							
Net Investment in							
Capital Assets	18,936,198	19,566,968	223,621	246,789	19,159,819	19,813,757	-3.30%
Restricted	19,094,971	18,409,248			19,094,971	18,409,248	3.72%
Unrestricted/(Deficit)	<u>(31,549,569)</u>	<u>(31,772,137)</u>	<u>759,304</u>	<u>493,337</u>	<u>(30,790,265)</u>	<u>(31,278,800)</u>	1.56%
Total Net Position	<u>\$ 6,481,600</u>	<u>\$ 6,204,079</u>	<u>\$ 982,925</u>	<u>\$ 740,126</u>	<u>\$ 7,464,525</u>	<u>\$ 6,944,205</u>	7.49%

* Restated

Changes in Net Position. The District's combined net position was \$7,464,525 on June 30, 2015, an increase of \$520,320 or 7.49% more than the year before. (See Figure A-3). Net Investment in Capital Assets decreased due to a net decrease in serial bonds payable of \$3,060,000 as well as current year capital assets additions (net of deletions) of \$2,414,618 offset by current year depreciation expense of \$6,381,547 and a net decrease in capital leases payable of \$1,107. Restricted net position increased due to the net increase in Capital Reserve of \$2,428,601, a net increase in Debt Service fund balance of \$72,230 and \$5,950,000 restricted in fund balance for fiscal year 2016-2017; offset by \$7,751,125 of fund balance utilized.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

This section of Bridgewater-Raritan Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status improved by \$520,320 on a district-wide basis.
- Overall revenue was \$177,288,063.
- Overall expenses were \$176,767,743.
- Enrollment in the District has decreased from the prior year by 203 students.
- The District advanced refunded its 2005 Refunding School Bonds and defeased \$16,120,000 of those bonds and issued \$16,795,000 in 2014 Refunding School Bonds.

Overview of the Financial Statements

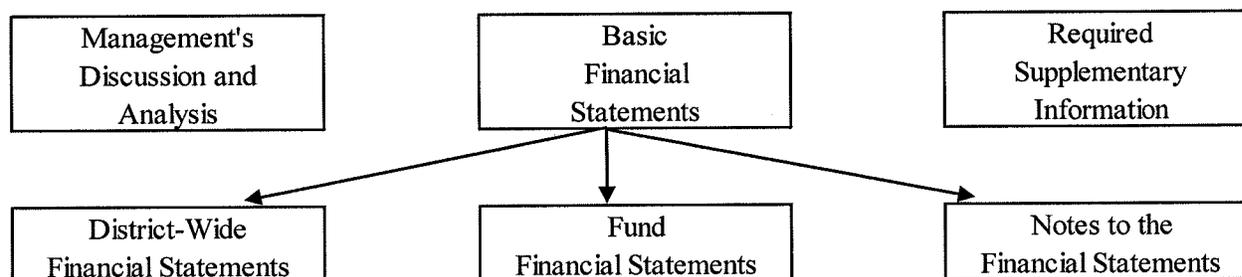
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District's Financial Report



**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

The increase in unrestricted net position was primarily due to a net decrease in compensated absences of \$58,489; a decrease in accrued interest payable of \$207,218; a net increase in deferred interest of \$472,145; a net decrease in unamortized bond premium of \$221,871, a net increase in business-type activities unrestricted net position of \$265,967; and a net increase in General Fund unassigned fund balance of \$127,160; offset by a decrease in General Fund assigned fund balance of \$166,415 and a \$413,603 decrease in fund balance committed to Capital Projects.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities 2014/15	Business- Type Activities 2014/15	Governmental Activities 2013/14	Business- Type Activities 2013/14	Total School District 2014/15	Total School District 2013/14	Percentage Change 2014/15
Revenue:							
Program Revenue:							
Charges for Services	\$ 492,699	\$ 2,195,219	\$ 571,096	\$ 2,249,837	\$ 2,687,918	\$ 2,820,933	-4.72%
Operating Grants and Contributions	39,395,375	619,433	15,242,455	585,377	40,014,808	15,827,832	152.81%
Capital Grants and Contributions	147,746				147,746		100.00%
General Revenue:							
Property Taxes	130,312,033		127,957,219		130,312,033	127,957,219	1.84%
Unrestricted State and Federal Aid	2,850,589		9,458,124		2,850,589	9,458,124	-69.86%
Other	1,274,025	944	953,183	529	1,274,969	953,712	33.68%
Total Revenue	174,472,467	2,815,596	154,182,077	2,835,743	177,288,063	157,017,820	12.91%
Expenses:							
Instruction	104,327,352		93,663,214		104,327,352	93,663,214	11.39%
Pupil and Instruction Services	26,339,757		18,252,568		26,339,757	18,252,568	44.31%
Administrative and Business	15,099,176		14,344,582		15,099,176	14,344,582	5.26%
Maintenance and Operations	18,003,330		17,275,541		18,003,330	17,275,541	4.21%
Transportation	9,193,741		8,727,538		9,193,741	8,727,538	5.34%
Other	1,231,590	2,572,797	1,812,609	2,715,133	3,804,387	4,527,742	-15.98%
Total Expenses	174,194,946	2,572,797	154,076,052	2,715,133	176,767,743	156,791,185	12.74%
Increase/(Decrease) in Net Position	\$ 277,521	\$ 242,799	\$ 106,025	\$ 120,610	\$ 520,320	\$ 226,635	

Revenue Sources. The District's total revenue for the 2014/15 school year was \$177,288,063 – an increase of \$20,270,243 (primarily due to recording of the District's PERS net pension liability and difference in on-half TPAF contributions made by the State of New Jersey) or 12.91% over the prior year. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$130,312,033 of the total, or 73.50 percent. (See Figure A-5). Another 22.65 percent came from state and federal aid and the remainder from miscellaneous sources and charges for services.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

Figure A-5**Sources of Revenue for Fiscal Year 2015**

	2015	Percentage	2014	Percentage
Sources of Income:				
Grants and Contributions	\$ 40,162,554	22.65%	\$ 15,827,832	8.93%
Property Taxes	130,312,033	73.50%	127,957,219	72.17%
Unrestricted Federal and State Aid	2,850,589	1.61%	9,458,124	5.33%
Charges for Services	2,687,918	1.52%	2,820,933	1.59%
Other	1,274,969	0.72%	953,712	0.54%
	<u>\$ 177,288,063</u>	<u>100.00%</u>	<u>\$ 157,017,820</u>	<u>88.56%</u>

The total cost of all programs and services was \$176,767,743 – an increase of \$19,976,558 (primarily attributable to recording of the District's PERS net pension liability and difference in on-half TPAF contributions made by the State of New Jersey in 2015) or 12.74% over the prior year. The District's expenses are predominantly related to instructing and providing pupil services (73.91 percent). (See Figure A-6). The District's administrative and business activities accounted for 8.54 percent of total costs. The Bridgewater-Raritan Regional School District operates 11 schools, an administration building and a maintenance/transportation building which constitute 10.18 percent of total costs. It is important to note that expenses for the year include \$6,381,547 of depreciation expense and \$1,204,755 of interest on long-term debt.

Figure A-6**Expenses for Fiscal Year 2015**

	2015	Percentage	2014	Percentage
Expense Category:				
Instruction	\$ 104,327,352	59.01%	\$ 93,663,214	52.98%
Pupil and Instruction Services	26,339,757	14.90%	18,252,568	10.33%
Administrative and Business	15,099,176	8.54%	14,344,582	8.11%
Maintenance and Operations	18,003,330	10.18%	17,275,541	9.77%
Transportation	9,193,741	5.20%	8,727,538	4.94%
Other	3,804,387	2.15%	4,527,742	2.56%
	<u>\$ 176,767,743</u>	<u>99.98%</u>	<u>\$ 156,791,185</u>	<u>88.69%</u>

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved. However, maintaining existing programs with a slight increase in enrollment and the provision of special programs and services for disabled pupils, combined with rising salary and benefit costs, school security, state mandates on testing and energy costs places great demands on the District's resources.

Careful management of expenses and increases in revenues remains essential for the District to sustain its financial health. The District continues to receive the benefit of cost saving measures from the past few years, especially the energy conservation measures. Monitoring expenses carefully and planning Capital Reserve projects and other expenses allowed us to make several significant upgrades during the 2013-2014 and 2014-2015 school years. A \$659,000 replacement of turf at the Basilone field was completed and pavement rehabilitation at various sites within the District.

The District will continue its practice of examining all expenditures carefully and being mindful of pressure to reduce taxes while maintaining and/or expanding programs.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-7

	Net Cost of Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2014/15</u>	<u>2014/15</u>	<u>2013/14</u>	<u>2013/14</u>
Instruction	\$ 104,327,352	\$ 72,593,185	\$ 93,663,214	\$ 82,321,540
Pupil and Instruction Services	26,339,757	21,724,143	18,252,568	16,462,724
Administrative and Business	15,099,176	12,811,493	14,344,582	13,038,598
Maintenance and Operations	18,003,330	17,855,584	17,275,541	17,275,542
Transportation	9,193,741	7,943,131	8,727,538	7,922,584
Other	1,231,590	1,231,590	1,812,609	1,812,609
	<u>\$ 174,194,946</u>	<u>\$ 134,159,126</u>	<u>\$ 154,076,052</u>	<u>\$ 138,833,597</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$242,799 (Refer to Figure A-4). The increase in net position was primarily due to the following:

- An increase in Food Service Fund federal and state subsidy reimbursements and donated commodities received which positively impacted revenue as well as decreased the related cost of food sales.
- A decrease in Food Service Fund expenses including salaries, benefits and general supplies.

Financial Analysis of the District's Funds

The District is presently in stable financial position. A major concern for the community is that the burden of the rising cost of education is focused on taxpayers to support their local schools. Despite these concerns, the Bridgewater-Raritan Regional School District is committed to maintaining fiscal responsibility as well as achieving educational excellence for all the students of the District.

To maintain a stable financial position, the District must continue to practice sound fiscal management, including efficiency/cost containment practices, evaluation of services and programs, energy conservation, and seeking additional sources of revenues.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were necessary for the following reasons:

- Realign budgeted salary accounts after staff transfers to various programs.
- Transferred from unexpended appropriations to purchase teaching materials, computers, and equipment to meet various program needs.
- Transferred from capital reserve to fund the replacement of turf at Basilone field and for pavement rehabilitation.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

Capital Asset and Debt Administration

Figure A-8

	Capital Assets (Net of Depreciation)						Percentage Change 2014/15
	Government Activities		Business-Type Activities		Total School District		
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	
Sites and Site Improvements	\$ 22,816,583	\$ 22,783,270			\$ 22,816,583	\$ 22,783,270	0.15%
Construction in Progress	363,489	67,557			363,489	67,557	438.05%
Buildings and Building Improvements	33,055,863	37,186,229			33,055,863	37,186,229	-11.11%
Machinery and Equipment	<u>2,853,524</u>	<u>2,742,066</u>	<u>\$ 223,621</u>	<u>\$ 246,789</u>	<u>3,077,145</u>	<u>2,988,855</u>	2.95%
Total	<u><u>\$ 59,089,459</u></u>	<u><u>\$ 62,779,122</u></u>	<u><u>\$ 223,621</u></u>	<u><u>\$ 246,789</u></u>	<u><u>\$ 59,313,080</u></u>	<u><u>\$ 63,025,911</u></u>	-5.89%

The District expended \$1,166,908 towards construction projects in progress and transferred \$870,976 of completed capital projects to depreciable capital assets during the fiscal year. Additionally, the District expended \$1,505,825 from its current year capital budget, disposed \$6,846 in capital assets, and depreciated \$6,355,550 from its governmental activities. The District purchased \$2,829 of capital assets and depreciated \$25,997 from its business-type activities during the fiscal year.

Long-term Debt

At year-end, the District had \$39,340,000 in general obligation bonds outstanding – a decrease of \$3,060,000 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-9

	Total School District		Percentage Change 2014/15
	2014/15	2013/14*	
	General Obligation Bonds (Financed with Property Taxes)	\$ 39,340,000	
Capital Leases Payable	813,261	812,154	0.14%
Compensated Absences Payable	7,451,437	7,509,926	-0.78%
Net Pension Liability	<u>27,493,196</u>	<u>27,536,846</u>	-0.16%
	<u><u>\$ 75,097,894</u></u>	<u><u>\$ 78,258,926</u></u>	-4.04%

*Restated

- The District continued to pay down its bonded debt, retiring \$3,735,000 of outstanding bonds.
- The District advanced refunded its 2005 Refunding School Bonds thereby defeasing \$16,120,000 of those bonds and issuing \$16,795,000 in 2014 Refunding School Bonds.
- In fiscal year 2015, there was a net decrease of \$58,489 in compensated absences and \$43,650 in the District's net pension liability.
- The District entered into a \$816,334 lease purchase agreement for informational technology equipment and paid down \$815,227 in capital leases payable.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

Factors Bearing on the District's Future Revenue/Expense Changes

At the time these financial statements were prepared and audited, the District was unaware of existing circumstances that could significantly affect its financial health in the future.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 836 Newmans Lane, P.O. Box 6030, Bridgewater, New Jersey 08807-0030. Please visit our website at www.brrsd.k12.nj.us.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 8,297,848	\$ 892,685	\$ 9,190,533
Investments	3,027,518		3,027,518
Interfund Receivable - Student Activity Fund	37,683		37,683
Receivables from State Government	1,478,039	1,523	1,479,562
Receivables from Federal Government	617,228	28,339	645,567
Receivables from Other Governments	5,812,635		5,812,635
Other Accounts Receivables	74,876		74,876
Inventories		44,843	44,843
Restricted Cash and Cash Equivalents	6,273,155		6,273,155
Capital Assets, Net:			
Sites (Land) and Construction in Progress	22,051,189		22,051,189
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	37,038,270	223,621	37,261,891
Total Assets	<u>84,708,441</u>	<u>1,191,011</u>	<u>85,899,452</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Amount on Refunding	1,888,040		1,888,040
Changes in Assumptions - Pensions	864,534		864,534
Changes in Proportion - Pensions	445,964		445,964
Total Deferred Outflows of Resources	<u>3,198,538</u>		<u>3,198,538</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	1,411,305	139,370	1,550,675
Accrued Interest Payable	431,572		431,572
Payable to Federal Government	19,301		19,301
Payable to State Government	48,222		48,222
Unearned Revenue	294,324	68,716	363,040
Unamortized Bond Issuance Premium	2,484,316		2,484,316
Noncurrent Liabilities:			
Due Within One Year	3,196,160		3,196,160
Due Beyond One Year	71,901,734		71,901,734
Total Liabilities	<u>79,786,934</u>	<u>208,086</u>	<u>79,995,020</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Investment Gains - Pensions	1,638,445		1,638,445
Total Deferred Inflows of Resources	<u>1,638,445</u>		<u>1,638,445</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	18,936,198	223,621	19,159,819
Restricted for:			
Capital Projects	6,273,155		6,273,155
Debt Service	90,956		90,956
Other Purposes	12,730,860		12,730,860
Unrestricted/(Deficit)	(31,549,569)	759,304	(30,790,265)
Total Net Position	<u>\$ 6,481,600</u>	<u>\$ 982,925</u>	<u>\$ 7,464,525</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 70,644,335	\$ 63,147	\$ 16,870,519		\$ (53,710,669)		\$ (53,710,669)
Special Education	24,000,221	53,261	12,877,924		(11,069,036)		(11,069,036)
Other Special Instruction	7,651,560		1,869,316		(5,782,244)		(5,782,244)
Other Instruction	2,031,236				(2,031,236)		(2,031,236)
Support Services:							
Tuition	6,627,005				(6,627,005)		(6,627,005)
Student and Instruction Related Services	19,712,752		4,615,614		(15,097,138)		(15,097,138)
General Administrative Services	1,951,705		131,897		(1,819,808)		(1,819,808)
School Administrative Services	11,187,503		2,080,752		(9,106,751)		(9,106,751)
Central Services	1,628,099		75,034		(1,553,065)		(1,553,065)
Administrative Information Technology	331,869				(331,869)		(331,869)
Plant Operations and Maintenance	18,003,330			\$ 147,746	(17,855,584)		(17,855,584)
Pupil Transportation	9,193,741	376,291	874,319		(7,943,131)		(7,943,131)
Transfer of Funds to Charter School	26,835				(26,835)		(26,835)
Interest on Long-Term Debt	1,204,755				(1,204,755)		(1,204,755)
Total Governmental Activities	174,194,946	492,699	39,395,375	147,746	(134,159,126)		(134,159,126)
Business-Type Activities:							
Food Service Fund	2,572,797	2,195,219	619,433			\$ 241,855	241,855
Total Business-Type Activities	2,572,797	2,195,219	619,433			241,855	241,855

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Total Primary Government	<u>\$ 176,767,743</u>	<u>\$ 2,687,918</u>	<u>\$ 40,014,808</u>	<u>\$ 147,746</u>	<u>\$(134,159,126)</u>	<u>\$ 241,855</u>	<u>\$(133,917,271)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					124,875,621		124,875,621
Taxes Levied for Debt Service					5,436,412		5,436,412
Federal, State and Local Aid not Restricted					2,850,589		2,850,589
Interest Earnings					29,816	944	30,760
Miscellaneous Income					1,244,209		1,244,209
Total General Revenues					<u>134,436,647</u>	<u>944</u>	<u>134,437,591</u>
Change in Net Position					277,521	242,799	520,320
Net Position - Beginning (Restated)					<u>6,204,079</u>	<u>740,126</u>	<u>6,944,205</u>
Net Position - Ending					<u>\$ 6,481,600</u>	<u>\$ 982,925</u>	<u>\$ 7,464,525</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 7,483,472		\$ 723,420	\$ 90,956	\$ 8,297,848
Investments	3,027,518				3,027,518
Interfund Receivable	397,603				397,603
Receivables From State Government	1,478,039				1,478,039
Receivables From Federal Government		\$ 617,228			617,228
Receivables From Other Governments	5,812,635				5,812,635
Other Accounts Receivable	71,796	3,080			74,876
Restricted Cash and Cash Equivalents	6,273,155				6,273,155
Total Assets	\$ 24,544,218	\$ 620,308	\$ 723,420	\$ 90,956	\$ 25,978,902
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 359,920			\$ 359,920
Accounts Payable	\$ 1,270,065	141,240			1,411,305
Payable to Federal Government		19,301			19,301
Payable to State Government		48,222			48,222
Unearned Revenue	242,699	51,625			294,324
Total Liabilities	1,512,764	620,308			2,133,072
Fund Balances:					
Restricted:					
Capital Reserve Account	6,273,155				6,273,155
Excess Surplus - For 2016-2017	5,950,000				5,950,000
Excess Surplus - For 2015-2016	6,780,860				6,780,860
Debt Service				\$ 90,956	90,956
Committed:					
Capital Projects			\$ 723,420		723,420
Assigned:					
Other Purposes	922,585				922,585
Designated for Subsequent Year's Expenditures	13,983				13,983
Unassigned	3,090,871				3,090,871
Total Fund Balances	23,031,454		723,420	90,956	23,845,830
Total Liabilities and Fund Balances	\$ 24,544,218	\$ 620,308	\$ 723,420	\$ 90,956	\$ 25,978,902

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Amounts reported for *Governmental Activities* in the Statement of Net Position (Exhibit A-1) are different because:

Total Fund Balances from previous page	\$ 23,845,830
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$319,347,944 and the accumulated depreciation is \$260,258,485.	59,089,459
Bond Issuance Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold. The Amount is \$3,104,987 and the Accumulated Amortization is \$620,671.	(2,484,316)
Deferred Interest Costs are not Reported as Expenditures in the Governmental Funds in the Year of the Expenditure.	1,888,040
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(431,572)
Long-Term Liabilities, including the Net Pension Liability for PERS, Bonds Payable and Capital Leases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(75,097,894)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Changes in Assumptions - Pensions	864,534
Changes in Proportions - Pensions	445,964
Investment Gains - Pensions	<u>(1,638,445)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ 6,481,600</u></u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 124,875,621			\$ 5,436,412	\$ 130,312,033
Other Local Government Units - Restricted	317,134				317,134
Tuition from Individuals	9,619				9,619
Tuition from Other LEAs	76,680				76,680
Tuition from Other Sources	30,109				30,109
Transportation Fees From Individuals	23,881				23,881
Transportation Fees from LEA's	35,276				35,276
Interest Earned on Capital Reserve Funds	12,081				12,081
Unrestricted Miscellaneous Revenue	1,261,944	\$ 88,399			1,350,343
Total - Local Sources	126,642,345	88,399		5,436,412	132,167,156
State Sources	24,454,856	141,963	\$ 147,746		24,744,565
Federal Sources	181,251	2,436,356			2,617,607
Total Revenues	151,278,452	2,666,718	147,746	5,436,412	159,529,328
EXPENDITURES:					
Current:					
Regular Instruction	42,350,123	444,313			42,794,436
Special Education Instruction	14,084,040	1,403,734			15,487,774
Other Special Instruction	4,547,574				4,547,574
School-Sponsored/Other Instruction	1,697,974				1,697,974
Support Services and Undistributed Costs:					
Tuition	4,626,585				4,626,585
Student/Other Instruction Related Services	13,944,623	748,437			14,693,060
General Administrative Services	1,586,392				1,586,392
School Administrative Services	7,148,799				7,148,799
Central Services	1,264,935				1,264,935
Administrative Information Technology	331,869				331,869
Plant Operations and Maintenance	11,237,092				11,237,092
Student Transportation	8,293,917				8,293,917
Unallocated Benefits	36,936,615				36,936,615
Allocated Benefits - Student Transportation	520,670				520,670
Transfer of Funds to Charter School	26,835				26,835
Capital Outlay	2,316,946	70,234	1,166,908		3,554,088
Debt Service:					
Principal				3,735,000	3,735,000
Interest and Other Charges				1,554,205	1,554,205
Total Expenditures	150,914,989	2,666,718	1,166,908	5,289,205	160,037,820
Excess/(Deficit) of Revenue Over/(Under) Expenditures	363,463		(1,019,162)	147,207	(508,492)

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Other Financing Sources/(Uses):					
Serial Bonds Issued				\$ 16,795,000	\$ 16,795,000
Bond Premium				72,394	72,394
Serial Bonds Defeased				(16,120,000)	(16,120,000)
Bond Issuance Costs				(123,216)	(123,216)
Deferred Interest				(699,155)	(699,155)
Capital Leases (Non-budgeted)	\$ 816,334				816,334
Transfers (net)	(605,559)		\$ 605,559		
Total Other Financing Sources/(Uses)	210,775		605,559	(74,977)	741,357
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	574,238		(413,603)	72,230	232,865
Fund Balance - July 1 (Restated)	22,457,216		1,137,023	18,726	23,612,965
Fund Balance - June 30	<u>\$ 23,031,454</u>	<u>\$ -0-</u>	<u>\$ 723,420</u>	<u>\$ 90,956</u>	<u>\$ 23,845,830</u>

Exhibit B-3

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$	232,865
Amounts reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are different because:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and disposals differ from capital outlays in the period.		
	Depreciation Expense	\$ (6,355,550)
	Disposal of Capital Assets, Net of Accumulated Depreciation	(6,846)
	Capital Outlays	<u>2,672,733</u>
		(3,689,663)
In the Statement of Activities, interest on Long-Term Debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		
		207,218
Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
		3,735,000
Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and not reported in the Statement of Activities.		
		(816,334)
Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
		815,227
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (-)		
		294,265
Proceeds from debt issued for an advanced refunding less the amount of bonds defeased are not recorded in the governmental fund.		
	Serial Bonds Issued	(16,795,000)
	Serial Bonds Premium	(72,394)
	Serial Bond Deferred Interest	624,178
	School Bonds Defeased	<u>16,120,000</u>
		(123,216)
The governmental funds report the effect of deferred interest when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
		(152,033)
In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		58,489
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
		43,650
Change in Net Pension Liability		
Deferred Outflows:		
	Changes in Assumptions	864,534
	Changes in Proportion	445,964
Deferred Inflows:		
	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>(1,638,445)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	\$	<u>277,521</u>

Exhibit B-4

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities - Enterprise Funds Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 892,685
Intergovernmental Accounts Receivable:	
State	1,523
Federal	28,339
Inventories	44,843
Total Current Assets	967,390
Non-Current Assets:	
Capital Assets	657,263
Less: Accumulated Depreciation	(433,642)
Total Non-Current Assets	223,621
Total Assets	1,191,011
<u>LIABILITIES:</u>	
Accounts Payable	139,370
Unearned Revenue	68,716
Total Liabilities	208,086
<u>NET POSITION:</u>	
Net Investment in Capital Assets	223,621
Unrestricted	759,304
Total Net Position	\$ 982,925

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales	\$ 2,065,152
Special Events	9,172
Miscellaneous Revenue	120,895
Total Operating Revenue	2,195,219
Operating Expenses:	
Cost of Sales	1,433,227
Salaries, Benefits & Payroll Taxes	954,639
Other Purchased Services	58,995
Supplies and Materials	19,959
Management Fee	36,693
Miscellaneous Expenditures	43,287
Depreciation Expense	25,997
Total Operating Expenses	2,572,797
Operating Loss	(377,578)
Non-Operating Revenue:	
Local Sources:	
Interest Earnings	944
State Sources:	
State School Lunch Program	23,999
Federal Sources:	
National School Lunch Program	447,079
School Breakfast Program	12,019
Food Distribution Program	136,336
Total Non-Operating Revenue	620,377
Change in Net Position	242,799
Net Position - Beginning of Year (Restated)	740,126
Net Position - End of Year	\$ 982,925

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 2,201,154
Payments to Food Service Contractor	(2,314,392)
Payments to Suppliers	(89,628)
	(202,866)
Net Cash Used for Operating Activities	
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(2,829)
	(2,829)
Net Cash Used for Capital and Related Financing Activities	
Cash Flows from Investing Activities:	
Interest Income	944
	944
Net Cash Provided by Investing Activities	
Cash Flows from Noncapital Financing Activities:	
State Sources	23,934
Federal Sources	457,900
	481,834
Net Cash Provided by Noncapital Financing Activities	
Net Increase in Cash and Cash Equivalents	277,083
Cash and Cash Equivalents, July 1	615,602
Cash and Cash Equivalents, June 30	\$ 892,685
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (377,578)
Adjustment to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	25,997
Food Distribution Program	136,336
Changes in Assets and Liabilities:	
(Increase) in Inventory	(6,361)
Increase in Accounts Payable	9,231
Increase in Unearned Revenue	9,509
	9,509
Net Cash Used for Operating Activities	\$ (202,866)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities Through the Food Distribution Program Valued at \$139,910 and Utilized Commodities Valued at \$136,336.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-7

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 1,940,820	\$ 2,691,626
Interfund Receivable - Payroll Agency		97,457
	<hr/>	<hr/>
Total Assets	1,940,820	2,789,083
	<hr/>	<hr/>
<u>LIABILITIES:</u>		
Interfund Payable:		
General Fund	37,683	
Unemployment Compensation Trust	97,457	
Payroll Deductions and Withholdings	1,020,422	
Due to Student Groups	785,258	
	<hr/>	<hr/>
Total Liabilities	1,940,820	
	<hr/>	<hr/>
<u>NET POSITION:</u>		
Held in Trust for:		
Unemployment Claims		2,789,083
		<hr/>
Total Net Position	\$ -0-	\$ 2,789,083
	<hr/> <hr/>	<hr/> <hr/>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Members	\$ 179,112
Total Contributions	<u>179,112</u>
Investment Earnings:	
Interest	<u>1,724</u>
Net Investment Earnings	<u>1,724</u>
Total Additions	<u>180,836</u>
DEDUCTIONS:	
Unemployment Benefit Claims	150,355
Quarterly Unemployment Contributions	<u>52,679</u>
Total Deductions	<u>203,034</u>
Change in Net Position	(22,198)
Net Position - Beginning of the Year (Restated)	<u>2,811,281</u>
Net Position - End of the Year	<u><u>\$ 2,789,083</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the “Board”) of Bridgewater-Raritan Regional School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board’s accounting policies are described below.

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, “Defining the Financial Reporting Entity” establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significances) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include nine elementary schools, a middle school as well as a high school located in the Bridgewater-Raritan Regional. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District’s governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other on exchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer’s share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund. These resources can be transferred from and to current expenses by board resolution.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise fund) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

Enterprise Fund: The Enterprise Fund account for all revenue and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund and the Unemployment Compensation Trust.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution.

All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 151,286,778	\$ 2,558,459
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not.		
Current Year Encumbrances		(1,956)
Prior Year Encumbrances		110,215
Prior Year State Aid Payments Recognized for GAAP Statements	885,111	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(893,437)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 151,278,452</u>	<u>\$ 2,666,718</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 150,914,989	\$ 2,558,459
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(1,956)
Prior Year Encumbrances		110,215
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 150,914,989	\$ 2,666,718
		<u>Capital Projects Fund</u>
	Revenue	Fund Balance
Revenue/Committed Fund Balance	\$ -0-	\$ 97,295
Committed - Year End Encumbrances		687,179
	-0-	784,474
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable not Recognized on GAAP Basis		(61,054)
SDA Revenue Recognized on a GAAP Basis	147,746	
Fund Balance per Governmental Funds (GAAP)	\$ 147,746	\$ 723,420

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments (Cont'd)

All public depositories must pledge collateral, having market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line.

The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2015.

N. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Compensated Absences (Cont'd)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee contracts/agreements.

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue

Unearned revenue in the special revenue and the enterprise funds represent cash which has been received but not yet earned.

P. Fund Balance Appropriated

General Fund: Of the \$23,031,454 General Fund fund balance at June 30, 2015, \$922,585 is assigned for encumbrances; \$6,273,155 is restricted in the capital reserve account; \$6,780,860 is restricted as prior year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016; \$5,950,000 is restricted as current year surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2017; \$13,983 of assigned fund balance is designated for subsequent year's expenditures; and there is \$3,090,871 in unassigned fund balance, which is \$893,437 less than the budgetary unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2016.

Capital Projects Fund: The \$723,420 fund balance in the Capital Projects Fund at June 30, 2015 is committed.

Debt Service Fund: The \$90,956 fund balance in the Debt Service Fund at June 30, 2015 is restricted, of which \$656 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus as outlined above.

Unassigned fund balance in the General Fund is less on a GAAP basis than budgetary basis in the amount of \$893,437 as of June 30, 2015 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Deficit Net Position

The District has a deficit in unrestricted net position of \$31,549,569 in governmental activities, which is primarily due to the accrued interest payable of \$13,983, of fund balance assigned for subsequent year's expenditures; \$723,420 of committed fund balance; \$3,090,871 of unassigned fund balance; \$922,585 assigned for encumbrances and \$1,888,040 of deferred amount on refunding, investment gains in pensions of \$1,638,445 and net pension liability of \$27,493,196; offset by changes in pension assumptions of \$864,534, changes in proportion in pensions of \$445,964, accrued interest payable of \$431,572; \$7,451,437 of compensated absences payable and an unamortized bond premium of \$2,484,316. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources for changes in assumptions in pensions and changes in proportion in pensions at June 30, 2015. The District had deferred inflows of resources at June 30, 2015 for the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments (Cont'd)

Fund balance restrictions have been established for excess surplus, a capital reserve and debt service.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has \$723,420 of committed fund balance at June 30, 2015 in its Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources of \$13,983 appropriated to support the 2015/2016 budget and \$922,585 of encumbrances in the General Fund at June 30, 2015.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activities of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activities of the Enterprise Fund.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	Restricted Cash and Cash Equivalents Capital Reserve Account	Cash and Cash Equivalents			Investments	Total
		Checking Accounts	New Jersey Cash Manage- ment Fund	New Jersey Asset & Rebate Management		
Checking Accounts	\$ 6,273,155	\$ 10,941,230	\$ 2,873,451	\$ 8,298		\$ 20,096,134
Certificates of Deposit					\$ 3,027,518	3,027,518
	<u>\$ 6,273,155</u>	<u>\$ 10,941,230</u>	<u>\$ 2,873,451</u>	<u>\$ 8,298</u>	<u>\$ 3,027,518</u>	<u>\$ 23,123,652</u>

During the period ended June 30, 2015, the District did not hold any investments other than certificate of deposits. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2015, was \$23,123,652 and the bank balance was \$24,768,466. The \$2,873,451 and \$8,298 in the New Jersey Cash Management Fund and the New Jersey Asset & Rebate Management Program, respectively, are uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$1,000 in fiscal year 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2014	\$ 3,858,537
Add:	
Interest Earnings	12,081
Return of Unexpended Balance from Capital Projects Fund	20,404
Transfer from Unassigned Fund Balance as per Board Resolution - June 23, 2015	3,008,096
Less:	
Transfer to Capital Projects Fund as per Board Resolutions	<u>(625,963)</u>
Ending Balance, June 30, 2015	<u>\$ 6,273,155</u>

The balance in the capital reserve account at June 30, 2015 does not exceed the LRFP balance of local support costs of uncompleted capital projects. The withdrawal from capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 5. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2015, the District transferred \$308,049 to its capital outlay accounts for equipment which did not require approval from the County Superintendent. The District transferred \$625,963 from the Capital Reserve to the Capital Projects Fund through board resolutions.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustment/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 21,687,700			\$ 21,687,700
Construction in Progress	67,557	\$ 1,166,908	\$ (870,976)	363,489
Total Capital Assets Not Being Depreciated	<u>21,755,257</u>	<u>1,166,908</u>	<u>(870,976)</u>	<u>22,051,189</u>
Capital Assets Being Depreciated:				
Site Improvements	3,295,974		85,601	3,381,575
Buildings and Building Improvements	283,004,984	842,785	797,995	284,645,764
Machinery and Equipment	8,625,842	663,040	(19,466)	9,269,416
Total Capital Assets Being Depreciated	<u>294,926,800</u>	<u>1,505,825</u>	<u>864,130</u>	<u>297,296,755</u>
Governmental Activities Capital Assets	<u>316,682,057</u>	<u>2,672,733</u>	<u>(6,846)</u>	<u>319,347,944</u>
Less Accumulated Depreciation for:				
Site Improvements	(2,200,404)	(52,288)		(2,252,692)
Buildings and Building Improvements	(245,818,755)	(5,771,146)		(251,589,901)
Machinery and Equipment	(5,883,776)	(532,116)		(6,415,892)
	<u>(253,902,935)</u>	<u>(6,355,550)</u>		<u>(260,258,485)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 62,779,122</u>	<u>\$ (3,682,817)</u>	<u>\$ (6,846)</u>	<u>\$ 59,089,459</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 654,434	\$ 2,829		\$ 657,263
Less: Accumulated Depreciation	(407,645)	(25,997)		(433,642)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 246,789</u>	<u>\$ (23,168)</u>	<u>\$ -0-</u>	<u>\$ 223,621</u>

The District expended \$1,166,908 towards construction projects in progress and transferred \$870,976 of completed capital projects to depreciable capital assets during the fiscal year. Additionally, the District expended \$1,505,825 from its current year capital budget, disposed \$6,846 in capital assets, and depreciated \$6,355,550 from its governmental activities. The District purchased \$2,829 and depreciated \$25,997 of capital assets from its business-type activities during the fiscal year.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 179,595
Special Instruction	11,827
School Sponsored/Other Instruction	20,115
Student and Instruction Related Services	8,322
General Administration	129,301
School Administration	14,743
Operations and Maintenance of Plant	5,896,355
Student Transportation	95,292
	<u>\$ 6,355,550</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated) Balance 6/30/2014	Accrued	Retired	Balance 6/30/2015
Serial Bonds Payable	\$ 42,400,000	\$ 16,795,000	\$ 19,855,000	\$ 39,340,000
Compensated Absences Payable	7,509,926	1,049,025	1,107,514	7,451,437
Capital Leases Payable	812,154	816,334	815,227	813,261
Net Pension Liability	27,536,846		43,650	27,493,196
	<u>\$ 78,258,926</u>	<u>\$ 18,660,359</u>	<u>\$ 21,821,391</u>	<u>\$ 75,097,894</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

On July 16, 2014, the District issued refunding school bonds of \$16,795,000 with interest rates ranging from 0.349% to 3.079% to advance refund \$16,120,000 of school bonds with interest rates ranging from 4.2% to 5.0%. The bonds mature on July 15, 2015 through 2022 and July 15, 2015 is the first optional redemption date at 100% of par. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the school bonds are called on July 15, 2015. The advance refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

As a result of the advance refunding, the School will realize a total of \$740,082 in cash savings over the life of the bond issue. On a net present value basis, the savings equate to \$668,202, or 4.591% of the bonds refunded.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

The District had bonds outstanding as of June 30, 2015 as follows:

<u>Final Maturity Date</u>	<u>Serial Bonds Interest Rate</u>	<u>Amount</u>
07/15/15	3.750%	\$ 550,000
07/15/15	5.000%	1,860,000
05/01/23	2.25%-5.00%	14,195,000
07/15/24	2.375%-5.00%	5,940,000
07/15/22	0.349%-3.079%	16,795,000
		<u>\$ 39,340,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 4,155,000	\$ 1,236,512	\$ 5,391,512
2017	4,275,000	1,114,501	5,389,501
2018	4,405,000	995,044	5,400,044
2019	4,640,000	856,997	5,496,997
2020	4,795,000	710,373	5,505,373
Thereafter 5 Years (2021-2025)	17,070,000	1,050,499	18,120,499
	<u>\$ 39,340,000</u>	<u>\$ 5,963,926</u>	<u>\$ 45,303,926</u>

The bond payments will be paid from the Debt Service Fund.

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The District is leasing computer technology and other equipment under capital leases valued at \$2,446,205, of which \$1,632,944 has matured and been repaid. The capital leases are for terms of three years. The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2015.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)C. Capital Leases Payable:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2016	\$ 550,000
June 30, 2017	275,000
	<u>825,000</u>
Less: Amount Representing Interest	<u>(11,739)</u>
Present Value Net of Minimum Lease Payments	<u>\$ 813,261</u>

The current portion of capital leases payable at June 30, 2015 is \$541,160 and the long-term portion is \$272,101. The General Fund will be used to liquidate the capital leases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The compensated absences balance of the governmental funds as of June 30, 2015 is \$7,451,437, none of which represents a current liability; therefore, the entire balance is reported as long-term liabilities. The General Fund will be used to liquidate the governmental funds Compensated Absences Payable.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$27,493,196. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$1,210,560 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$27,493,196 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

At June 30, 2014, the District's proportion was 0.147%, which was an increase of 0.003% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$458,617. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 864,534	
Changes in Proportion	445,964	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		\$ 1,638,445
	<u>\$ 1,310,498</u>	<u>\$ 1,638,445</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2015	\$ (250,690)
2016	(250,689)
2017	(250,690)
2018	(250,690)
2019	158,922
Thereafter	69,926
	<u>\$ (773,911)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 34,587,376	\$ 27,493,196	\$ 21,535,889

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$3,521,348 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$18,464,487.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$343,146,199. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.642%, which was a decrease of 0.019% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>343,146,199</u>
Total	\$	<u><u>343,146,199</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$18,464,487 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>1,741,236,574</u>
	<u>\$ 2,306,623,861</u>	<u>\$ 1,763,205,593</u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as deferred outflows of resources related to pensions resulting from differences between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2015	\$ (130,688,498)
2016	(130,688,498)
2017	(130,688,498)
2018	(130,688,496)
2019	304,620,646
Thereafter	761,551,612
	<u>\$ 543,418,268</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the following table:

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Fiscal Year Ended June 30, 2014</u>		
	1%	Current	1%
	Decrease (3.68%)	Discount Rate (4.68%)	Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$27,619 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$37,518 for the fiscal year ended June 30, 2015.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 9. POST-RETIREMENT BENEFITS (Cont'd)

Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State's on-behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$5,590,143, \$4,453,329 and \$4,831,720 for 2015, 2014 and 2013, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their health benefit coverage through the State of New Jersey Health Benefits Plan and dental benefit coverage through Delta Dental Plan of NJ.

Property and Liability Insurance

The Bridgewater-Raritan Regional School District is a member of the New Jersey Schools Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. In accordance with GASB Statement No. 10, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The June 30, 2015 audit report for the Group is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2014 is as follows:

Total Assets	<u>\$ 293,795,686</u>
Net Position	<u>\$ 66,169,762</u>
Total Revenue	<u>\$ 120,623,875</u>
Total Expenses	<u>\$ 119,843,435</u>
Change in Net Position	<u>\$ 780,440</u>
Members Dividends	<u>\$ -0-</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)Property and Liability Insurance (Cont'd)

Financial statements for the Fund are available at the Group's Executive Director's Office:

New Jersey Schools Insurance Group
450 Veterans Drive
Burlington, NJ 08016
Phone: (609) 386-6060 Fax: (609) 386-8877

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ -0-	\$ 1,724	\$ 179,112	\$ 203,034	\$ 2,789,083
2013-2014	-0-	1,524	174,968	116,892	2,811,281
2012-2013	600,000	1,732	169,977	316,730	2,751,681

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 397,603	
Special Revenue Fund		\$ 359,920
Fiduciary Fund:		
Student Activities Agency Fund		37,683
Payroll Agency Fund		97,457
Unemployment Compensation Trust	<u>97,457</u>	
	<u>\$ 495,060</u>	<u>\$ 495,060</u>

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund due to the timing between expenditure and reimbursement from the State of New Jersey. The interfund payable in the Student Activities Fiduciary Fund is General Fund parking permit receipts collected in the Student Activities Fiduciary Fund. The interfund between the Payroll Agency Fund and the Unemployment Compensation Trust Fund is prior years and current year employee unemployment contributions collected in the Payroll Agency Fund which have not yet been transferred to the Unemployment Compensation Trust Fund.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 12. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

- AXA Equitable
- Met Life
- Lincoln Investment
- Prudential
- Variable Annuity Life (VALIC)

The plan administrators are as follows for the District's Internal Revenue Code Section 457 plan:

- AXA Equitable
- Fidelity Investments
- Met Life
- Variable Annuity Life (VALIC)

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

The School District participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 922,585	\$ 1,956	\$ 687,179	\$ 1,611,720

On the District's Governmental Funds Balance Sheet as of June 30, 2015, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$1,956 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue. The \$687,179 of year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$723,420 committed fund balance on a GAAP basis at June 30, 2015.

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities and Business-Type Activities as of June 30, 2015 consisted of the following:

	Governmental Activities		Total Governmental Funds	Business-Type Activities
	General Fund	Special Revenue Fund		Proprietary Funds
Salaries	\$ 308,482	\$ 2,142	\$ 310,624	
Vendors	961,583	31,040	992,623	\$ 139,370
Due to the State of New Jersey		108,058	108,058	
	\$ 1,270,065	\$ 141,240	\$ 1,411,305	\$ 139,370

NOTE 16. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The District also made an adjustment to the capital assets in its Governmental activities as of June 30, 2014 to record the disposals of older equipment in prior years.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 16. PRIOR PERIOD ADJUSTMENTS (Cont'd)

The District made a prior year adjustment in the District Wide Financial Statements to eliminate unamortized bond issuance costs reported in its Governmental activities as of June 30, 2014 as a result of implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes standards of accounting and financial reporting for debt issuance costs. In accordance to GASB Statement No. 65, debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred. The District also made a prior year adjustment in the District Wide Financial Statements to reclassify the deferred amount on refunding of debt related to the District's 2012 refunding bonds as a deferred outflow of resources reported in its Governmental Activities as of June 30, 2014. GASB Statement No. 65 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The District made a prior year adjustment in the District Wide Financial Statements to correct the amount of compensated absences payable reported in its Governmental activities as of June 30, 2015 to eliminate non-vested employees. The District made prior year adjustments in the District Wide Financial Statements and the Fund Financial Statements to correct the SDA receivable recognized in the Capital Projects Fund to the amount actually submitted for reimbursement as of June 30, 2014 and the amount of prepaid sales which were over-reported in its Business-type activities/Food Service Fund as of June 30, 2014. The District made a prior year adjustment in the Statement of Changes in Fiduciary Net Position to record interfund receivable due from the Payroll Agency Fund to the Unemployment Compensation Trust Fund as of June 30, 2014 for employee unemployment contributions.

	Balance 6/30/14 as Previously Reported	Retroactive Adjustments	Balance 6/30/14 as Restated
<u>Statement of Net Position (Exhibit A-1):</u>			
<u>Governmental Activities:</u>			
Assets:			
Receivable from State Government	\$ 1,980,186	\$ (16,519)	\$ 1,963,667
Bond Issuance Costs	204,720	(204,720)	-0-
Deferred Outflow:			
Deferred Amount on Refunding	-0-	1,415,895	1,415,895
Liabilities:			
Noncurrent Liabilities	50,133,361	28,125,565	78,258,926
Net Position:			
Net Investments in Capital Assets	19,771,688	(204,720)	19,566,968
Unrestricted	(5,045,948)	(26,726,189)	(31,772,137)
Total Net Position - Governmental Activities	33,134,988	(26,930,909)	6,204,079
<u>Business-type Activities:</u>			
Liabilities:			
Unearned Revenue	85,610	(26,403)	59,207
Net Position:			
Unrestricted	466,934	26,403	493,337
Total Net Position - Business-type Activities	713,723	26,403	740,126

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 16. PRIOR PERIOD ADJUSTMENTS (Cont'd)

	<u>Balance 6/30/14 as Previously Reported</u>	<u>Retroactive Adjustments</u>	<u>Balance 6/30/14 as Restated</u>
<u>Balance Sheet - Capital Projects Fund (Exhibit B-1):</u>			
Assets:			
Receivable from State Government	\$ 16,519	\$ (16,519)	\$ -0-
Total Fund Balance	1,153,542	(16,519)	1,137,023
<u>Balance Sheet - Proprietary Fund (Exhibit B-4):</u>			
Food Service Fund:			
Liabilities:			
Unearned Revenue	85,610	(26,403)	59,207
Net Position:			
Unrestricted	466,934	26,403	493,337
Total Net Position	713,723	26,403	740,126
<u>Statement of Changes in Fiduciary Net Position (Exhibit B-8):</u>			
Unemployment Compensation Trust			
Net Position - Beginning of the Year	2,689,902	121,379	2,811,281

**SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION**

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.1440815433%	0.1468439082%
District's proportionate share of the net pension liability	\$ 27,536,846	\$ 27,493,196
District's covered employee payroll	\$ 9,924,801	\$ 10,187,396
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	277.45%	269.87%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 1,085,625	\$ 1,210,560
Contributions in relation to the contractually required contribution	<u>(1,085,625)</u>	<u>(1,210,560)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 9,924,801	\$ 10,187,396
Contributions as a percentage of covered employee payroll	10.94%	11.88%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's proportion of the net pension liability attributable to the District	0.6613012648%	0.6420338543%
State's proportionate share of the net pension liability attributable to the District	\$ 334,216,458	\$ 343,146,199
District's covered employee payroll	\$ 66,342,194	\$ 67,880,654
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	503.78%	505.51%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 124,875,621		\$ 124,875,621	\$ 124,875,621	
Other Local Government Units - Restricted	290,000		290,000	317,134	\$ 27,134
Tuition from Individuals				9,619	9,619
Tuition from Other LEAs				76,680	76,680
Tuition from Other Sources				30,109	30,109
Transportation Fees from Individuals				23,881	23,881
Transportation Fees from LEA's				35,276	35,276
Interest Earned on Capital Reserve Funds	500		500	12,081	11,581
Unrestricted Miscellaneous Revenue	839,000		839,000	1,261,944	422,944
Total - Local Sources	<u>126,005,121</u>		<u>126,005,121</u>	<u>126,642,345</u>	<u>637,224</u>
State Sources:					
Transportation Aid	804,953		804,953	804,953	
Extraordinary Aid				1,168,964	1,168,964
Extraordinary Aid - Excess Prior Year				11,391	11,391
Special Education Aid	5,509,599		5,509,599	5,509,599	
Equalization Aid	2,091,882		2,091,882	2,091,882	
Security Aid	680,923		680,923	680,923	
Other State Aid	166,981		166,981	166,981	
Excess Nonpublic School Transportation Costs				68,657	68,657
TPAF On-Behalf Pension Contributions (Non-Budgeted)				3,521,348	3,521,348
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				5,590,143	5,590,143
TPAF Social Security (Reimbursed - Non-Budgeted)				4,848,341	4,848,341
Total State Sources	<u>9,254,338</u>		<u>9,254,338</u>	<u>24,463,182</u>	<u>15,208,844</u>
Federal Sources:					
Medicaid Assistance Program	53,321		53,321	167,268	113,947
ARRA - Medicaid Assistance Program - Prior Year Adjustment				13,983	13,983
Total - Federal Sources	<u>53,321</u>		<u>53,321</u>	<u>181,251</u>	<u>127,930</u>
TOTAL REVENUES	<u>135,312,780</u>		<u>135,312,780</u>	<u>151,286,778</u>	<u>15,973,998</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 764,771	\$ (4,014)	\$ 760,757	\$ 760,755	\$ 2
Grades 1-5 - Salaries of Teachers	14,363,067	(404,152)	13,958,915	13,958,908	7
Grades 6-8 - Salaries of Teachers	10,626,397	(227,526)	10,398,871	10,356,363	42,508
Grades 9-12 - Salaries of Teachers	14,222,322	7,318	14,229,640	14,215,056	14,584
Regular Programs - Home Instruction:					
Salaries of Teachers	225,000		225,000	176,959	48,041
Purchased Professional-Educational Services	75,000		75,000	51,604	23,396
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	85,942		85,942	83,521	2,421
Purchased Professional - Educational Services		1,500	1,500	1,500	
Purchased Technical Services	121,800		121,800	46,661	75,139
Other Purchased Services	849,000	10	849,010	826,669	22,341
General Supplies	1,881,184	(139,932)	1,741,252	1,528,711	212,541
Textbooks	622,580	(164,874)	457,706	339,324	118,382
Other Objects	8,500	528	9,028	4,092	4,936
Total Regular Programs - Instruction	<u>43,845,563</u>	<u>(931,142)</u>	<u>42,914,421</u>	<u>42,350,123</u>	<u>564,298</u>
Special Programs - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	724,875	93,802	818,677	818,677	
Other Salaries for Instruction	411,073		411,073	396,996	14,077
General Supplies	10,000	(3,000)	7,000	3,735	3,265
Total Learning and/or Language Disabilities	<u>1,145,948</u>	<u>90,802</u>	<u>1,236,750</u>	<u>1,219,408</u>	<u>17,342</u>
Multiple Disabilities:					
Salaries of Teachers	150,775	3,449	154,224	154,224	
Other Salaries for Instruction	62,891	33,207	96,098	95,202	896

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Special Programs - Instruction:					
Multiple Disabilities (Cont'd):					
General Supplies	\$ 1,500	\$ 3,126	\$ 4,626	\$ 4,626	
Total Multiple Disabilities	<u>215,166</u>	<u>39,782</u>	<u>254,948</u>	<u>254,052</u>	\$ 896
Resource Room/Resource Center:					
Salaries of Teachers	9,495,778		9,495,778	9,009,754	486,024
Other Salaries for Instruction	1,225,214		1,225,214	1,060,734	164,480
General Supplies	15,000		15,000	13,613	1,387
Textbooks	1,000		1,000		1,000
Total Resource Room/Resource Center	<u>10,736,992</u>		<u>10,736,992</u>	<u>10,084,101</u>	<u>652,891</u>
Autism:					
Salaries of Teachers	710,399	(21,362)	689,037	682,772	6,265
Other Salaries for Instruction	1,012,054	(166,814)	845,240	833,216	12,024
General Supplies	7,500		7,500	6,028	1,472
Total Autism	<u>1,729,953</u>	<u>(188,176)</u>	<u>1,541,777</u>	<u>1,522,016</u>	<u>19,761</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	196,710	15,081	211,791	211,790	1
Other Salaries for Instruction	219,365	6,416	225,781	222,538	3,243
General Supplies	18,600		18,600	17,181	1,419
Total Preschool Disabilities - Part-Time	<u>434,675</u>	<u>21,497</u>	<u>456,172</u>	<u>451,509</u>	<u>4,663</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	147,285	74,915	222,200	222,200	
Other Salaries for Instruction	225,000	105,755	330,755	330,754	1
General Supplies	2,500	(1,126)	1,374		1,374
Total Preschool Disabilities - Full-Time	<u>374,785</u>	<u>179,544</u>	<u>554,329</u>	<u>552,954</u>	<u>1,375</u>
Total Special Programs - Instruction	<u>14,637,519</u>	<u>143,449</u>	<u>14,780,968</u>	<u>14,084,040</u>	<u>696,928</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 2,836,955	\$ 180,589	\$ 3,017,544	\$ 3,017,543	\$ 1
Other Salaries for Instruction	20,000		20,000	9,542	10,458
General Supplies	7,500		7,500	1,691	5,809
Textbooks	1,000		1,000		1,000
Total Basic Skills/Remedial - Instruction	<u>2,865,455</u>	<u>180,589</u>	<u>3,046,044</u>	<u>3,028,776</u>	<u>17,268</u>
Bilingual Education - Instruction:					
Salaries of Teachers	1,329,671	165,004	1,494,675	1,494,674	1
Other Salaries for Instruction	19,000	3,692	22,692	22,692	
Other Purchased Services (400-500 series)	500		500	113	387
General Supplies	11,510		11,510	1,319	10,191
Total Bilingual Education - Instruction	<u>1,360,681</u>	<u>168,696</u>	<u>1,529,377</u>	<u>1,518,798</u>	<u>10,579</u>
School Sponsored Cocurricular Activities:					
Salaries	215,213	20,640	235,853	225,940	9,913
Purchased Services (300-500 Series)	73,000	3,670	76,670	70,855	5,815
Supplies and Materials	88,222	(5,226)	82,996	54,510	28,486
Other Objects	27,035		27,035	14,130	12,905
Total School-Sponsored Cocurricular Activities	<u>403,470</u>	<u>19,084</u>	<u>422,554</u>	<u>365,435</u>	<u>57,119</u>
School-Sponsored Athletics:					
Salaries	921,865	23,211	945,076	923,910	21,166
Purchased Services (300-500 Series)	266,750	910	267,660	215,606	52,054
Supplies and Materials	205,485	(8,535)	196,950	160,132	36,818
Other Objects	56,690		56,690	32,891	23,799
Total School-Sponsored Athletics	<u>1,450,790</u>	<u>15,586</u>	<u>1,466,376</u>	<u>1,332,539</u>	<u>133,837</u>
Total Instruction	<u>64,563,478</u>	<u>(403,738)</u>	<u>64,159,740</u>	<u>62,679,711</u>	<u>1,480,029</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 186,676		\$ 186,676	\$ 74,626	\$ 112,050
Tuition to Other LEA's Within the State - Special	923,485	\$ (24,628)	898,857	856,576	42,281
Tuition to County Vo. School District - Regular	372,583	(6,000)	366,583	286,030	80,553
Tuition to County Vo. School District - Special	17,500	6,000	23,500	23,500	
Tuition to Private Schools for the Handicapped Within State	3,604,075	(107,009)	3,497,066	2,859,978	637,088
Tuition to Private Schools for the Handicapped Outside State	127,000		127,000	2,857	124,143
Tuition - State Facilities	24,775		24,775	24,775	
Tuition - Other	550,683	7,009	557,692	498,243	59,449
Total Undistributed Expenditures - Instruction	5,806,777	(124,628)	5,682,149	4,626,585	1,055,564
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	398,268	43,756	442,024	442,024	
Other Purchased Services	3,000		3,000	2,335	665
Total Undistributed Expenditures - Attendance and Social Work Services	401,268	43,756	445,024	444,359	665
Undistributed Expenditures - Health Services:					
Salaries	1,384,360	83,357	1,467,717	1,466,779	938
Purchased Professional and Technical Services	9,705	1,525	11,230	11,230	
Supplies and Materials	37,200	(4,063)	33,137	28,243	4,894
Total Undistributed Expenditures - Health Services	1,431,265	80,819	1,512,084	1,506,252	5,832
Undist. Expend. - Speech, OT, PT and Related Services:					
Salaries	2,593,876	11,410	2,605,286	2,605,286	
Purchased Professional - Educational Services	152,000	(4,674)	147,326	146,872	454
Supplies and Materials	17,500	(7,000)	10,500	10,392	108
Total Undist. Expend. - Speech, OT, PT and Related Services	2,763,376	(264)	2,763,112	2,762,550	562

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Other Supp. Serv. Students - Extraordinary					
Services:					
Salaries	\$ 433,418	\$ 104,657	\$ 538,075	\$ 538,075	
Purchased Professional - Educational Services	280,540	5,016	285,556	173,060	\$ 112,496
Other Objects	950	(81)	869		869
Total Undist. Expend. - Other Supp. Serv. Students - Extraordinary Services	<u>714,908</u>	<u>109,592</u>	<u>824,500</u>	<u>711,135</u>	<u>113,365</u>
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	2,762,132	(63,169)	2,698,963	2,697,817	1,146
Salaries of Secretarial and Clerical Assistants	381,443	(26,503)	354,940	354,559	381
Other Salaries	46,000		46,000	45,603	397
Purchased Professional - Educational Services	62,350	(3,500)	58,850	55,747	3,103
Other Purchased Professional and Technical Services		3,500	3,500	265	3,235
Other Purchased Services	7,750		7,750	3,525	4,225
Supplies and Materials	54,336	(179)	54,157	35,349	18,808
Other Objects	1,650	179	1,829	1,829	
Total Undist. Expend. - Guidance	<u>3,315,661</u>	<u>(89,672)</u>	<u>3,225,989</u>	<u>3,194,694</u>	<u>31,295</u>
Undist. Expend. - Child Study Teams:					
Salaries of Other Professional Staff	1,402,750	12,455	1,415,205	1,415,205	
Salaries of Secretarial and Clerical Assistants	338,220	23,003	361,223	361,222	1
Other Salaries	896,408	(29,432)	866,976	866,918	58
Purchased Professional - Educational Services	60,200	17,201	77,401	72,151	5,250
Other Purchased Services (400-500 series)	6,500	798	7,298	4,041	3,257
Residential Costs	517,165	4,928	522,093	522,093	
Miscellaneous Purchased Services	9,242	(251)	8,991	8,942	49
Supplies and Materials	43,000	2,613	45,613	40,080	5,533
Other Objects	7,750	(150)	7,600	7,449	151
Total Undist. Expend. - Child Study Teams	<u>3,281,235</u>	<u>31,165</u>	<u>3,312,400</u>	<u>3,298,101</u>	<u>14,299</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Improvement of Instructional Services:					
Other Salaries	\$ 143,800	\$ (7,397)	\$ 136,403	\$ 136,401	\$ 2
Salaries of Facilitators, Math & Literacy Coaches	58,635		58,635	58,635	
Other Purchased Services (400-500 series)	11,000	(2,949)	8,051	3,395	4,656
Supplies and Materials	13,725	(1,010)	12,715	8,015	4,700
Other Objects	10,600	(2,626)	7,974	5,610	2,364
Total Undist. Expend. - Improvement of Instructional Services	<u>237,760</u>	<u>(13,982)</u>	<u>223,778</u>	<u>212,056</u>	<u>11,722</u>
Undist. Expend. - Educational Media Services/School Library:					
Salaries	1,531,534	(1,914)	1,529,620	1,529,617	3
Purchased Professional and Technical Services	8,000		8,000		8,000
Other Purchased Services	5,200		5,200	2,464	2,736
Supplies and Materials	229,596	(27,983)	201,613	191,011	10,602
Total Undist. Expend. - Educational Media Services/School Library	<u>1,774,330</u>	<u>(29,897)</u>	<u>1,744,433</u>	<u>1,723,092</u>	<u>21,341</u>
Undist. Expend. - Instructional Staff Training Services:					
Other Salaries	35,000	1,949	36,949	36,948	1
Purchased Professional - Educational Services	16,843	11,849	28,692	28,253	439
Other Purchased Services (400-500 series)	24,926	(668)	24,258	22,489	1,769
Supplies and Materials	14,500	(5,000)	9,500	4,694	4,806
Total Undist. Expend. - Instructional Staff Training Services	<u>91,269</u>	<u>8,130</u>	<u>99,399</u>	<u>92,384</u>	<u>7,015</u>
Undist. Expend. - Support Services - General Administration:					
Salaries	582,858	(39,977)	542,881	542,795	86
Legal Services	334,425	(4,581)	329,844	208,219	121,625
Audit Fees	73,080	1,970	75,050	35,050	40,000
Architectural / Engineering Services	130,960	(369)	130,591	69,171	61,420
Other Purchased Professional Services	32,500	2,999	35,499	21,612	13,887
Communications/Telephone	332,040	103,196	435,236	273,077	162,159

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Support Services - General Administration: (Cont'd)					
BOE Other Purchased Services	\$ 20,500	\$ (14,712)	\$ 5,788	\$ 4,584	\$ 1,204
Miscellaneous Purchased Services (400-500)	358,400	22,096	380,496	377,961	2,535
General Supplies	7,500	14,915	22,415	18,669	3,746
BOE In-House Training/Meeting Supplies		629	629	532	97
Miscellaneous Expenditures	11,500	(629)	10,871	7,609	3,262
BOE Membership Dues and Fees	28,000	(500)	27,500	27,113	387
Total Undist. Expend. - Support Services - General Administration	1,911,763	85,037	1,996,800	1,586,392	410,408
Undist. Expend. - Support Serv. - School Administration:					
Salaries of Principals/Assistant Principals	2,860,816	256,714	3,117,530	3,117,528	2
Salaries of Other Professional Staff	2,182,866	(277,772)	1,905,094	1,905,060	34
Salaries of Secretarial and Clerical Assistants	1,923,073	(40,430)	1,882,643	1,877,585	5,058
Other Salaries	23,751		23,751	23,750	1
Purchased Professional and Technical Services	3,500		3,500	3,405	95
Other Purchased Services	86,150	(4,779)	81,371	70,411	10,960
Supplies and Materials	136,316	(676)	135,640	113,755	21,885
Other Objects	66,650	(19,872)	46,778	37,305	9,473
Total Undist. Expend. - Support Serv. - School Administration	7,283,122	(86,815)	7,196,307	7,148,799	47,508
Undist. Expend. - Central Services:					
Salaries	1,218,943	(43,418)	1,175,525	1,175,519	6
Purchased Professional Services	11,000	(6,518)	4,482	1,780	2,702
Purchased Technical Services	44,500	618	45,118	45,117	1
Miscellaneous Purchased Services (400-500)	43,700	1,000	44,700	25,943	18,757
Supplies and Materials	22,000	(1,000)	21,000	13,583	7,417
Miscellaneous Expenditures	4,500		4,500	2,993	1,507
Total Undist. Expend. - Central Services	1,344,643	(49,318)	1,295,325	1,264,935	30,390

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Administrative Information Technology:					
Purchased Technical Services	\$ 254,400	\$ (3,555)	\$ 250,845	\$ 210,586	\$ 40,259
Supplies and Materials	80,000	77,837	157,837	121,283	36,554
Other Objects	1,500		1,500		1,500
Total Undist. Expend. - Administrative Information Technology	<u>335,900</u>	<u>74,282</u>	<u>410,182</u>	<u>331,869</u>	<u>78,313</u>
Required Maintenance for School Facilities:					
Salaries	997,842		997,842	922,566	75,276
Cleaning, Repair and Maintenance Services	679,667	(9,934)	669,733	457,627	212,106
General Supplies	290,728	38,300	329,028	295,262	33,766
Other Objects	3,150	37	3,187	3,159	28
Total Required Maintenance for School Facilities	<u>1,971,387</u>	<u>28,403</u>	<u>1,999,790</u>	<u>1,678,614</u>	<u>321,176</u>
Undist. Expend. - Custodial Services:					
Salaries	626,404	(8,292)	618,112	616,627	1,485
Purchased Professional and Technical Services	4,228,423	(5,297)	4,223,126	4,185,604	37,522
Cleaning, Repair and Maintenance Services	736,620	(163,423)	573,197	486,749	86,448
Rental of Land & Building Other than Lease Purchase Agreement	706,574	5,904	712,478	705,441	7,037
Other Purchased Property Services	693,200		693,200	585,109	108,091
Insurance	210,000		210,000	208,101	1,899
Miscellaneous Purchased Services	1,000		1,000		1,000
General Supplies	337,488	91,561	429,049	401,312	27,737
Energy (Natural Gas)	712,622		712,622	539,390	173,232
Energy (Electricity)	1,347,400		1,347,400	1,034,668	312,732
Energy (Gasoline)	175,000	(175,000)			
Other Objects	3,500		3,500	375	3,125
Total Undist. Expend. - Custodial Services	<u>9,778,231</u>	<u>(254,547)</u>	<u>9,523,684</u>	<u>8,763,376</u>	<u>760,308</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	\$ 427,515	\$ 12,633	\$ 440,148	\$ 440,147	\$ 1
Cleaning, Repair, and Maintenance Services	5,000	(1,940)	3,060	1,983	1,077
General Supplies	45,920	29,358	75,278	72,952	2,326
Total Undist. Expend. - Care and Upkeep of Grounds	<u>478,435</u>	<u>40,051</u>	<u>518,486</u>	<u>515,082</u>	<u>3,404</u>
Undist. Expend. - Security					
Salaries	11,000		11,000	8,860	2,140
Cleaning, Repair, and Maintenance Services	306,360		306,360	269,725	36,635
General Supplies	5,200	946	6,146	1,435	4,711
Total Undist. Expend. - Security	<u>322,560</u>	<u>946</u>	<u>323,506</u>	<u>280,020</u>	<u>43,486</u>
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	843,171	108,256	951,427	951,426	1
Between Home and School - Special Education	183,800	(81,140)	102,660	102,659	1
Other than Between Home and School	93,000	(370)	92,630	92,629	1
Management Fees - ESC Transportation Programs	34,000	3,091	37,091	37,090	1
Other Purchased Professional and Technical Services	12,700		12,700	9,366	3,334
Cleaning, Repair and Maintenance Services	48,000	30,445	78,445	78,445	
Contracted Services:					
Aid in Lieu of Payments for Nonpublic School Students	277,514		277,514	241,391	36,123
Between Home and School - Vendors	4,274,500	(198,617)	4,075,883	4,024,713	51,170
Other than Between Home and School -Vendors	152,755		152,755	63,809	88,946
Special Education Students - Vendors	1,739,780	8,000	1,747,780	1,713,651	34,129
Special Education Students - Joint Agreements	80,000	(6,657)	73,343	34,102	39,241
Regular Students - ESCs & CTSA's	42,000		42,000	32,531	9,469
Special Education Students - ESCs & CTSA's	500,000	130,000	630,000	605,956	24,044

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Student Transportation Services: (Cont'd)					
Miscellaneous Purchased Services - Transportation	\$ 62,750	\$ 1	\$ 62,751	\$ 62,068	\$ 683
General Supplies	7,500		7,500	7,277	223
Transportation Supplies	82,500	175,000	257,500	233,992	23,508
Other Objects	3,000	(1)	2,999	2,812	187
Total Undist. Expend. - Student Transportation Services	8,436,970	168,008	8,604,978	8,293,917	311,061
Allocated Benefits - Student Transportation Services:					
Social Security Contributions	85,000	2,512	87,512	87,511	1
Health Benefits	392,000	41,159	433,159	433,159	
Total Allocated Benefits - Student Transportation Services	477,000	43,671	520,671	520,670	1
Unallocated Benefits:					
Social Security Contributions	1,166,000	30,952	1,196,952	1,196,951	1
Other Retirement Contribution - PERS	1,305,561	(27,619)	1,277,942	1,210,560	67,382
Other Retirement Contribution - Regular		27,619	27,619	27,619	
Workmen's Compensation	625,000		625,000	538,851	86,149
Health Benefits	21,012,174	(62,706)	20,949,468	18,562,209	2,387,259
Tuition Reimbursement	975,037	1,191	976,228	489,040	487,188
Other Employee Benefits	904,805	61,515	966,320	951,553	14,767
Total Unallocated Benefits	25,988,577	30,952	26,019,529	22,976,783	3,042,746
On-Behalf Contributions:					
TPAF On-Behalf Pension Contributions (non-budgeted)				3,521,348	(3,521,348)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				5,590,143	(5,590,143)
Reimbursed TPAF Social Security Contributions (non-budgeted)				4,848,341	(4,848,341)
Total On-Behalf Contributions				13,959,832	(13,959,832)
Total Personal Services - Employee Benefits	26,465,577	74,623	26,540,200	37,457,285	(10,917,085)

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Total Undistributed Expenditures	\$ 78,146,437	\$ 95,689	\$ 78,242,126	\$ 85,891,497	\$ (7,649,371)
Total General Current Expense	142,709,915	(308,049)	142,401,866	148,571,208	(6,169,342)
Capital Outlay:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5		7,195	7,195	7,195	
Grades 6-8	25,750	2,387	28,137	17,534	10,603
Grades 9-12		113,827	113,827	113,827	
School-Sponsored/Athletics		6,565	6,565	6,564	1
Undistributed:					
Educational Media Services/School Library		15,330	15,330	15,095	235
Support Services - Extraordinary Services	75,000	(72,414)	2,586	2,585	1
Administration Information Technology		164,245	164,245	164,159	86
Custodial Services		40,297	40,297	40,297	
School Buses - Regular	180,000	30,617	210,617	210,613	4
Total Equipment	280,750	308,049	588,799	577,869	10,930
Facilities Acquisition and Construction Services:					
Construction Services	1,000,000		1,000,000	773,855	226,145
Other Objects - Assessment for Debt Service on SDA Funding	148,888		148,888	148,888	
Total Facilities Acquisition and Construction Services	1,148,888		1,148,888	922,743	226,145
Assets Acquired Under Capital Leases (Non-Budgeted):					
Regular Programs - Equipment				816,334	(816,334)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				816,334	(816,334)
Total Capital Outlay	1,429,638	308,049	1,737,687	2,316,946	(579,259)
Transfer of Funds to Charter Schools	26,835		26,835	26,835	
TOTAL EXPENDITURES	144,166,388		144,166,388	150,914,989	(6,748,601)

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (8,853,608)	\$ -0-	\$ (8,853,608)	\$ 371,789	\$ 9,225,397
Other Financing Sources/(Uses):					
Capital Reserve - Transfer to Capital Projects Fund		(625,963)	(625,963)	(625,963)	
Capital Reserve - Transfer from Capital Projects Fund				20,404	(20,404)
Capital Leases (Non-budgeted)				816,334	(816,334)
Total Other Financing Sources/(Uses)		(625,963)	(625,963)	210,775	(836,738)
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(8,853,608)	(625,963)	(9,479,571)	582,564	10,062,135
Fund Balance, July 1	23,342,327		23,342,327	23,342,327	
Fund Balance, June 30	\$ 14,488,719	\$ (625,963)	\$ 13,862,756	\$ 23,924,891	\$ 10,062,135
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 6,273,155	
Excess Surplus - Restricted for 2016-2017 school year				5,950,000	
Excess Surplus - Restricted for 2015-2016 school year				6,780,860	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures - SEMI ARRA				13,983	
Year End Encumbrances				922,585	
Unassigned Fund Balance				3,984,308	
				23,924,891	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(893,437)	
Fund Balance per Governmental Funds (GAAP)				\$ 23,031,454	

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources	\$ 76,427	\$ 86,809	\$ 163,236	\$ 88,399	\$ (74,837)
State Sources	136,542	53,643	190,185	141,963	(48,222)
Federal Sources	1,939,148	578,970	2,518,118	2,328,097	(190,021)
Total Revenues	2,152,117	719,422	2,871,539	2,558,459	(313,080)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	215,212	14,323	229,535	226,679	2,856
Purchased Professional - Educational Services	107,606	67,906	175,512	132,964	42,548
Other Purchased Professional Services		1,000	1,000	1,000	
Other Purchased Services		11,624	11,624	1,369	10,255
Tuition	1,506,482	(162,123)	1,344,359	1,344,359	
General Supplies	107,605	116,034	223,639	112,650	110,989
Textbooks		25,443	25,443	22,361	3,082
Other Objects		511	511	482	29
Total Instruction	1,936,905	74,718	2,011,623	1,841,864	169,759
Support Services:					
Salaries of Supervisors of Instruction	107,606	165,984	273,590	273,590	
Salaries of Other Professional Staff		11,035	11,035	11,035	
Other Salaries		41,440	41,440	41,440	
Personal Services - Employee Benefits	107,606	26,582	134,188	108,058	26,130
Purchased Professional and Technical Services		40,662	40,662	33,946	6,716
Purchased Professional-Educational Services		256,024	256,024	155,604	100,420

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Support Services:					
Other Purchased Services		\$ 15,930	\$ 15,930	\$ 13,277	\$ 2,653
Supplies and Materials		16,484	16,484	9,411	7,073
Other Objects		329	329		329
Total Support Services	<u>\$ 215,212</u>	<u>574,470</u>	<u>789,682</u>	<u>646,361</u>	<u>143,321</u>
Facilities Acquisition and Construction Services:					
Construction Services		30,168	30,168	30,168	
Non-Instructional Equipment		40,066	40,066	40,066	
Total Facilities Acquisition and Construction Services		<u>70,234</u>	<u>70,234</u>	<u>70,234</u>	
Total Expenditures	<u><u>\$ 2,152,117</u></u>	<u><u>\$ 719,422</u></u>	<u><u>\$ 2,871,539</u></u>	<u><u>\$ 2,558,459</u></u>	<u><u>\$ 313,080</u></u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 151,286,778	\$ 2,558,459
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Current Year Encumbrances		(1,956)
Prior Year Encumbrances		110,215
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	885,111	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(893,437)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 151,278,452	\$ 2,666,718
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 150,914,989	\$ 2,558,459
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(1,956)
Prior Year Encumbrances		110,215
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 150,914,989	\$ 2,666,718

MILLBURN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Nonpublic		Nonpublic Handicapped Services			
	Nursing	Technology Initiative	Textbooks	Supplementary Instruction	Examination and Classification	Corrective Speech
REVENUES:						
Local Sources						
State Sources	\$ 33,946	\$ 9,283	\$ 22,361	\$ 6,748	\$ 23,046	\$ 20,409
Federal Sources						
Total Revenues	33,946	9,283	22,361	6,748	23,046	20,409
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional Educational Services				6,748	23,046	20,409
Other Purchased Professional Services						
Other Purchased Services						
Tuition						
General Supplies						
Textbooks			22,361			
Other Objects						
Total Instruction			22,361	6,748	23,046	20,409
Support Services:						
Salaries of Supervisors of Instruction						
Salaries of Other Professional Staff						
Other Salaries						
Personal Services - Employee Benefits						
Purchased Professional and Technical Services	33,946					
Purchased Professional Educational Services						
Other Purchased Services						
Supplies and Materials		9,283				
Total Support Services	33,946	9,283				
Facilities Acquisition and Construction Services:						
Construction Services						
Non-Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 33,946	\$ 9,283	\$ 22,361	\$ 6,748	\$ 23,046	\$ 20,409

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Nonpublic Auxiliary Services			I.D.E.A.	
	English As a Second Language	Compensatory Education	Race To The Top	Basic 2014-15	Preschool 2014-15
REVENUES:					
Local Sources					
State Sources	\$ 640	\$ 25,530	\$ 2	\$ 1,813,812	\$ 75,424
Federal Sources					
Total Revenues	<u>640</u>	<u>25,530</u>	<u>2</u>	<u>1,813,812</u>	<u>75,424</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional Educational Services	640	25,530		54,610	
Other Purchased Professional Services					
Other Purchased Services					
Tuition				1,344,359	
General Supplies					5,393
Textbooks					
Other Objects					
Total Instruction	<u>640</u>	<u>25,530</u>		<u>1,398,969</u>	<u>5,393</u>
Support Services:					
Salaries of Supervisors of Instruction				228,090	45,500
Salaries of Other Professional Staff					
Other Salaries					
Personal Services - Employee Benefits				49,268	9,828
Purchased Professional and Technical Services					
Purchased Professional Educational Services				137,485	
Other Purchased Services					
Supplies and Materials			2		
Total Support Services			<u>2</u>	<u>414,843</u>	<u>55,328</u>
Facilities Acquisition and Construction Services:					
Construction Services					14,703
Non-Instructional Equipment					
Total Facilities Acquisition and Construction Services					<u>14,703</u>
Total Expenditures	<u>\$ 640</u>	<u>\$ 25,530</u>	<u>\$ 2</u>	<u>\$ 1,813,812</u>	<u>\$ 75,424</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Private Donations	No Child Left Behind			Totals 2015
		Title I 2014-15	Title IIA 2014-15	Title III	
REVENUES:					
Local Sources	\$ 88,399				\$ 88,399
State Sources					141,963
Federal Sources		\$ 281,228	\$ 116,599	\$ 41,032	2,328,097
Total Revenues	88,399	281,228	116,599	41,032	2,558,459
EXPENDITURES:					
Instruction:					
Salaries of Teachers		153,216	73,463		226,679
Purchased Professional Educational Services	1,981				132,964
Other Purchased Professional Services	1,000				1,000
Other Purchased Services	1,369				1,369
Tuition					1,344,359
General Supplies	15,802	80,423		11,032	112,650
Textbooks					22,361
Other Objects	482				482
Total Instruction	20,634	233,639	73,463	11,032	1,841,864
Support Services:					
Salaries of Supervisors of Instruction					273,590
Salaries of Other Professional Staff		11,035			11,035
Other Salaries	11,440			30,000	41,440
Personal Services - Employee Benefits		33,094	15,868		108,058
Purchased Professional and Technical Services					33,946
Purchased Professional Educational Services	500	3,460	14,159		155,604
Other Purchased Services	294		12,983		13,277
Supplies and Materials			126		9,411
Total Support Services	12,234	47,589	43,136	30,000	646,361
Facilities Acquisition and Construction Services:					
Construction Services	30,168				30,168
Non-Instructional Equipment	25,363				40,066
Total Facilities Acquisition and Construction Services	55,531				70,234
Total Expenditures	\$ 88,399	\$ 281,228	\$ 116,599	\$ 41,032	\$ 2,558,459

CAPITAL PROJECTS FUND

Exhibit F-1

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Other Financing Sources:	
Transfer from Capital Reserve	\$ 625,963
	<hr/>
Total Other Financing Sources	625,963
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	12,419
Construction Services	1,154,489
Transfer to General Fund:	
Unexpended Balances to Capital Reserve	20,404
	<hr/>
Total Expenditures and Other Financing Uses	1,187,312
	<hr/>
Deficit of Other Financing Sources Under Expenditures and Other Financing Uses	(561,349)
	<hr/>
Fund Balance - Beginning of Year (Restated)	1,345,823
	<hr/>
Fund Balance - End of Year	\$ 784,474
	<hr/> <hr/>
<u>Recapitulation:</u>	
Committed Fund Balance - Budgetary Basis	\$ 97,295
Committed - Year End Encumbrances	687,179
	<hr/>
Total Restricted Fund Balance - Budgetary Basis	784,474
	<hr/>
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>	
SDA Grant Receivable not Recognized on the GAAP Basis	(61,054)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 723,420
	<hr/> <hr/>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
REPLACEMENT OF CHILLER OUTSIDE OF BUILDING 100
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources -SDA Grant	\$ 208,800		\$ 208,800	\$ 208,800
Transfer from Capital Outlay	313,200		313,200	313,200
Total Revenue and Other Financing Sources	522,000		522,000	522,000
Expenditures:				
Construction Services	41,297	\$ 313,053	354,350	522,000
Total Expenditures	41,297	313,053	354,350	522,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 480,703	\$ (313,053)	\$ 167,650	\$ -0-

Additional Project Information:

Project Number	0555-005-13-2001
Grant Date	04/30/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 522,000
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 522,000

Percentage Increase over Original
Authorized Cost

Percentage Completion	67.88%
Original Target Completion Date	10/01/14
Revised Target Completion Date	10/01/15

Exhibit F-1B

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
REPLACEMENT OF TURF AT BASILONE FIELD
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Other Financing Sources:				
Transfer from Capital Reserve	\$ 659,000		\$ 659,000	\$ 659,000
Total Other Financing Sources	659,000		659,000	659,000
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	10,750		10,750	17,500
Construction Services		\$ 628,596	628,596	641,500
Transfer to Capital Reserve		19,654	19,654	
Total Expenditures and Other Financing Uses	10,750	648,250	659,000	659,000
Excess/(Deficit) of Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ 648,250	\$ (648,250)	\$ -0-	\$ -0-

Additional Project Information:

Project Number	0555-005-14-2000
Grant Date	03/30/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 659,000
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 659,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	10/01/14
Revised Target Completion Date	N/A

Exhibit F-1C

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
PAVEMENT REHABILITATION - VARIOUS SITES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Other Financing Sources:				
Transfer from Capital Reserve	\$ 232,390		\$ 232,390	\$ 232,390
Total Other Financing Sources	<u>232,390</u>		<u>232,390</u>	<u>232,390</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	15,520	\$ 3,280	18,800	19,550
Construction Services		212,840	212,840	212,840
Transfer to Capital Reserve		750	750	
Total Expenditures and Other Financing Uses	<u>15,520</u>	<u>216,870</u>	<u>232,390</u>	<u>232,390</u>
Excess/(Deficit) of Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 216,870</u>	<u>\$ (216,870)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 232,390
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 232,390
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	10/01/14
Revised Target Completion Date	N/A

Exhibit F-1D

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
2015 PAVEMENT REHABILITATION - VARIOUS SITES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Other Financing Sources:				
Transfer from Capital Reserve		\$ 428,460	\$ 428,460	\$ 428,460
Total Other Financing Sources		428,460	428,460	428,460
Expenditures:				
Construction Services				428,460
Total Expenditures and Other Financing Uses				428,460
Excess of Other Financing Sources Over Expenditures	\$ -0-	\$ 428,460	\$ 428,460	\$ -0-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 428,460
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 428,460
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	09/01/15
Revised Target Completion Date	N/A

Exhibit F-1E

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
REPLACEMENT OF GYMNASIUM SOUTH BLEACHERS - HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Other Financing Sources:				
Transfer from Capital Reserve		\$ 118,900	\$ 118,900	\$ 118,900
Total Other Financing Sources		118,900	118,900	118,900
Expenditures:				
Purchased Professional and Technical Services		9,139	9,139	10,700
Construction Services				108,200
Total Expenditures and Other Financing Uses		9,139	9,139	118,900
Excess of Other Financing Sources Over Expenditures	\$ -0-	\$ 109,761	\$ 109,761	\$ -0-

Additional Project Information:

Project Number	0555-005-15-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 118,900
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 118,900
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	8%
Original Target Completion Date	10/01/15
Revised Target Completion Date	N/A

Exhibit F-1F

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HIGH SCHOOL TILING PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Other Financing Sources:				
Transfer from Capital Reserve		\$ 33,956	\$ 33,956	\$ 33,956
Total Other Financing Sources		33,956	33,956	33,956
Expenditures:				
Purchased Professional and Technical Services				
Construction Services				33,956
Total Expenditures and Other Financing Uses				33,956
Excess of Other Financing Sources Over Expenditures	\$ -0-	\$ 33,956	\$ 33,956	\$ -0-

Additional Project Information:

Project Number	0555-005-15-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 33,956
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 33,956
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	08/01/15
Revised Target Completion Date	N/A

Exhibit F-1G

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
REPAIR/REFINISH GYM FLOOR
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Other Financing Sources:				
Transfer from Capital Reserve		\$ 44,647	\$ 44,647	\$ 44,647
Total Other Financing Sources		44,647	44,647	44,647
Expenditures:				
Construction Services				44,647
Total Expenditures and Other Financing Uses				44,647
Excess of Other Financing Sources Over Expenditures	\$ -0-	\$ 44,647	\$ 44,647	\$ -0-

Additional Project Information:

Project Number	0555-005-15-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 44,647
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 44,647
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	08/01/15
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

Exhibit G-1

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 892,685
Intergovernmental Accounts Receivable:	
State	1,523
Federal	28,339
Inventories	44,843

Total Current Assets

 967,390

Non-Current Assets:

Capital Assets	657,263
Less: Accumulated Depreciation	(433,642)

Total Non-Current Assets

 223,621

Total Assets

 1,191,011
LIABILITIES:

Current Liabilities:

Accounts Payable	139,370
Unearned Revenue	68,716

Total Current Liabilities

 208,086
NET POSITION:

Net Investment in Capital Assets	223,621
Unrestricted	759,304

Total Net Position

 \$ 982,925

Exhibit G-2

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Operating Revenue:	
Daily Sales	\$ 2,065,152
Special Events	9,172
Miscellaneous Revenue	120,895
Total Operating Revenue	<u>2,195,219</u>
Operating Expenses:	
Cost of Sales	1,433,227
Salaries, Benefits & Payroll Taxes	954,639
Other Purchased Services	58,995
Supplies and Materials	19,959
Management Fee	36,693
Miscellaneous Expenditures	43,287
Depreciation Expense	25,997
Total Operating Expenses	<u>2,572,797</u>
Operating Loss	(377,578)
Non-Operating Revenue:	
Local Sources:	
Interest Earnings	944
State Sources:	
State School Lunch Program	23,999
Federal Sources:	
National School Lunch Program	447,079
School Breakfast Program	12,019
Food Distribution Program	136,336
Total Non-Operating Income	<u>620,377</u>
Change in Net Position	242,799
Net Position - Beginning of Year (Restated)	<u>740,126</u>
Net Position - End of Year	<u>\$ 982,925</u>

Exhibit G-3

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 2,201,154
Payments to Food Service Contractors	(2,314,392)
Payments to Suppliers	(89,628)
Net Cash Used for Operating Activities	<u>(202,866)</u>
 Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	<u>(2,829)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(2,829)</u>
 Cash Flows from Investment Activities:	
Interest Income	<u>944</u>
Net Cash Provided by Investment Activities	<u>944</u>
 Cash Flows from Noncapital & Financing Activities:	
State Sources	23,934
Federal Sources	457,900
Net Cash Provided by Noncapital & Financing Activities	<u>481,834</u>
 Net Increase in Cash and Cash Equivalents	277,083
 Cash and Cash Equivalents, July 1	<u>615,602</u>
 Cash and Cash Equivalents, June 30	<u>\$ 892,685</u>
 Reconciliation of Operating Income to Net Cash	
Provided by/(Used for) Operating Activities:	
Operating Loss	\$ (377,578)
Adjustment to Reconcile Operating Income to Net	
Cash Provided by/(Used for) Operating Activities:	
Depreciation	25,997
Food Distribution Program	136,336
Changes in Assets and Liabilities:	
(Increase) in Inventory	(6,361)
Increase in Accounts Payable	9,231
Increase in Unearned Revenue	9,509
Net Cash Used for Operating Activities	<u>\$ (202,866)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$139,910 and Utilized Commodities Valued at \$136,336.

FIDUCIARY FUNDS

Exhibit H-1

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Agency</u>		<u>Totals</u>	<u>Unemployment Compensation Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>		
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 822,941	\$ 1,117,879	\$ 1,940,820	\$ 2,691,626
Interfund Receivable - Payroll Agency				97,457
Total Assets	<u>822,941</u>	<u>1,117,879</u>	<u>1,940,820</u>	<u>2,789,083</u>
<u>LIABILITIES:</u>				
Interfund Payable:				
General Fund	37,683		37,683	
Unemployment Compensation Trust		97,457	97,457	
Payroll Deductions and Withholdings		1,020,422	1,020,422	
Due to Student Groups	785,258		785,258	
Total Liabilities	<u>822,941</u>	<u>1,117,879</u>	<u>1,940,820</u>	
<u>NET POSITION:</u>				
Held in Trust for:				
Unemployment Claims				2,789,083
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,789,083</u>

Exhibit H-2

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Members	\$ 179,112
Total Contributions	<u>179,112</u>
Investment Earnings:	
Interest	\$ 1,724
Net Investment Earnings	<u>1,724</u>
Total Additions	<u>180,836</u>
DEDUCTIONS:	
Unemployment Benefit Claims	150,355
Quarterly Unemployment Contributions	<u>52,679</u>
Total Deductions	<u>203,034</u>
Change in Net Position	(22,198)
Net Position - Beginning of the Year (Restated)	<u>2,811,281</u>
Net Position - End of the Year	<u><u>\$ 2,789,083</u></u>

Exhibit H-3

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	(Restated) Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 960,873	\$ 92,356,385	\$ 92,199,379	\$ 1,117,879
Total Assets	<u>\$ 960,873</u>	<u>\$ 92,356,385</u>	<u>\$ 92,199,379</u>	<u>\$ 1,117,879</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 839,494	\$ 92,356,385	\$ 92,175,457	\$ 1,020,422
Interfund Payable: Unemployment Compensation Trust	<u>121,379</u>		<u>23,922</u>	<u>97,457</u>
Total Liabilities	<u>\$ 960,873</u>	<u>\$ 92,356,385</u>	<u>\$ 92,199,379</u>	<u>\$ 1,117,879</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 838,291	\$ 1,534,728	\$ 1,550,078	\$ 822,941
Total Assets	<u>\$ 838,291</u>	<u>\$ 1,534,728</u>	<u>\$ 1,550,078</u>	<u>\$ 822,941</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 838,291	\$ 1,497,045	\$ 1,550,078	\$ 785,258
Interfund Payable - General Fund		<u>37,683</u>		<u>37,683</u>
Total Liabilities	<u>\$ 838,291</u>	<u>\$ 1,534,728</u>	<u>\$ 1,550,078</u>	<u>\$ 822,941</u>

Exhibit H-5

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
High School	\$ 516,959	\$ 670,304	\$ 693,244	\$ 494,019
Middle School	199,417	531,580	568,684	162,313
Elementary Schools:				
Adamsville	11,360	2,847	6,115	8,092
Bradley Gardens	8,086	1,094	642	8,538
Crim	15,902	2,906	1,712	17,096
Eisenhower	8,020	33,919	33,991	7,948
Hamilton	11,005	7,603	5,931	12,677
Hillside	40,705	36,922	34,545	43,082
John F. Kennedy	2,343	5,513	4,855	3,001
Milltown	6,495	9,185	9,527	6,153
Van Holten	17,233	32,788	27,954	22,067
Athletic Account	766	162,384	162,878	272
Total Assets	<u>\$ 838,291</u>	<u>\$ 1,497,045</u>	<u>\$ 1,550,078</u>	<u>\$ 785,258</u>

LONG-TERM DEBT

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2014	Issued	Retired or Matured	Balance June 30, 2015
			Date	Amount					
2005 School Bonds	01/15/05	\$ 10,971,000	7/15/15	\$ 550,000	3.750%	\$ 1,075,000		\$ 525,000	\$ 550,000
2005 Refunding School Bonds	05/01/05	24,815,000	7/15/15	1,860,000	5.000%	19,745,000		17,885,000	1,860,000
2012 Refunding Project School Bonds	05/01/12	17,165,000	5/1/16	1,500,000	3.000%	15,640,000		1,445,000	14,195,000
			5/1/17	1,555,000	4.000%				
			5/1/18	1,635,000	4.000%				
			5/1/19	1,715,000	4.000%				
			5/1/20	1,795,000	5.000%				
			5/1/21	1,895,000	4.500%				
			5/1/22	1,995,000	4.500%				
			5/1/23	2,105,000	2.250%				
2012 Refunding School Bonds	01/15/13	5,940,000	7/15/16	555,000	4.000%	5,940,000			5,940,000
			7/15/17	580,000	4.000%				
			7/15/18	605,000	4.000%				
			7/15/19	630,000	5.000%				
			7/15/20	655,000	5.000%				
			7/15/21	690,000	5.000%				
			7/15/22	725,000	5.000%				
			7/15/23	755,000	2.375%				
			7/15/24	745,000	2.500%				
2014 Refunding School Bonds	07/16/14	16,795,000	7/15/15	245,000	0.349%				
			7/15/16	2,165,000	0.801%				
			7/15/17	790,000	1.237%				
			7/15/17	1,400,000	3.000%				
			7/15/18	2,320,000	1.988%				
			7/15/19	2,370,000	2.288%				
			7/15/20	2,430,000	2.632%				
			7/15/21	2,500,000	2.882%				
			7/15/22	2,575,000	3.079%				
						\$ 42,400,000	\$ 16,795,000	\$ 19,855,000	\$ 39,340,000
							Refunded	\$ 16,120,000	
							Matured	3,735,000	
								\$ 19,855,000	

Exhibit I-2

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2015</u>
Computer Technology	1.250%	\$ 814,055	\$ 271,338		\$ 271,338	
Computer Technology	1.130%	815,816	540,816		268,889	\$ 271,927
Information Technology Equipment	1.065%	816,334		\$ 816,334	275,000	541,334
			<u>\$ 812,154</u>	<u>\$ 816,334</u>	<u>\$ 815,227</u>	<u>\$ 813,261</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,436,412		\$ 5,436,412	\$ 5,436,412	
Total Revenues	5,436,412		5,436,412	5,436,412	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,719,483		1,719,483	1,554,205	\$ 165,278
Redemption of Principal	3,735,000		3,735,000	3,735,000	
Total Expenditures	5,454,483		5,454,483	5,289,205	165,278
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(18,071)		(18,071)	147,207	165,278
Other Financing Sources/(Uses):					
Serial Bonds Issued				16,795,000	16,795,000
Bond Premium				72,394	72,394
Serial Bonds Defeased				(16,120,000)	(16,120,000)
Bond Issuance Costs				(123,216)	(123,216)
Deferred Interest				(699,155)	(699,155)
Total Other Financing Sources/(Uses)				(74,977)	(74,977)
Excess/(Deficit) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	(18,071)		(18,071)	72,230	90,301
Fund Balance, July 1	18,726		18,726	18,726	
Fund Balance, June 30	\$ 655	\$ -0-	\$ 655	\$ 90,956	\$ 90,301
Recapitulation:					
Restricted - For Subsequent Year's Expenditures				\$ 656	
Restricted				90,300	
Total Restricted Fund Balance				\$ 90,956	

STATISTICAL SECTION

STATISTICAL SECTION**(UNAUDITED)**

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents**Exhibit****Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 23,427,565	\$ 28,564,655	\$ 27,256,161	\$ 29,418,191	\$ 31,175,722	\$ 20,563,460	\$ 20,233,516	\$ 20,374,625	\$ 19,566,968	\$ 18,936,198
Restricted	12,008,289	14,476,179	14,006,590	14,123,419	7,524,006	8,704,511	12,977,178	18,267,771	18,409,248	19,094,971
Unrestricted/(Deficit)	(4,978,975)	(3,548,197)	(1,443,727)	(4,759,052)	(4,413,804)	(1,846,573)	(1,348,650)	(5,629,952)	(31,772,137)	(31,549,569)
Total Governmental Activities Net Position	\$ 30,456,879	\$ 39,492,637	\$ 39,819,024	\$ 38,782,558	\$ 34,285,924	\$ 27,421,398	\$ 31,862,044	\$ 33,012,444	\$ 6,204,079	\$ 6,481,600
Business-type Activities:										
Net Investment in Capital Assets	\$ 65,261	\$ 88,944	\$ 85,837	\$ 174,331	\$ 194,940	\$ 260,112	\$ 286,544	\$ 273,705	\$ 246,789	\$ 223,621
Unrestricted	374,068	378,043	216,502	172,274	299,607	319,428	346,534	319,409	493,337	759,304
Total Business-type Activities Net Position	\$ 439,329	\$ 466,987	\$ 302,339	\$ 346,605	\$ 494,547	\$ 579,540	\$ 633,078	\$ 593,114	\$ 740,126	\$ 982,925
District-wide:										
Net Investment in Capital Assets	\$ 23,492,826	\$ 28,653,599	\$ 27,341,998	\$ 29,592,522	\$ 31,370,662	\$ 20,823,572	\$ 20,520,060	\$ 20,648,330	\$ 19,813,757	\$ 19,159,819
Restricted	12,008,289	14,476,179	14,006,590	14,123,419	7,524,006	8,704,511	12,977,178	18,267,771	18,409,248	19,094,971
Unrestricted	(4,604,907)	(3,170,154)	(1,227,225)	(4,586,778)	(4,114,197)	(1,527,145)	(1,002,116)	(5,310,543)	(31,278,800)	(30,790,265)
Total District Net Position	\$ 30,896,208	\$ 39,959,624	\$ 40,121,363	\$ 39,129,163	\$ 34,780,471	\$ 28,000,938	\$ 32,495,122	\$ 33,605,558	\$ 6,944,205	\$ 7,464,525

* Restated

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 52,773,084	\$ 57,457,648	\$ 58,783,402	\$ 59,035,528	\$ 61,823,239	\$ 56,876,771	\$ 57,987,780	\$ 60,639,747	\$ 59,304,034	\$ 70,644,335
Special Education	17,103,975	19,093,179	21,215,963	21,619,660	22,848,338	23,071,348	23,498,111	25,362,954	27,687,602	24,000,221
Other Instruction	4,006,456	4,332,120	4,871,780	5,112,519	5,618,287	7,040,250	8,099,816	8,520,002	6,671,578	9,682,796
Support Services:										
Tuition										6,627,005
Student & Instruction Related Services	16,617,857	17,457,536	18,660,123	19,167,437	17,827,238	16,954,930	17,896,514	20,219,132	18,252,568	19,712,752
General Administrative Services	4,099,585	4,104,606	2,497,234	2,263,524	2,280,380	2,612,827	2,738,256	2,716,844	1,699,075	1,951,705
School Administrative Services	5,805,868	6,702,922	6,954,323	7,131,966	9,142,894	9,348,902	9,317,038	9,427,399	10,565,877	11,187,503
Central Services			1,767,991	1,523,477	1,609,191	1,484,746	1,566,166	1,282,261	1,811,530	1,628,099
Administrative Information Technology			131,113	194,790	193,794	349,758	251,263	434,327	268,100	331,869
Plant Operations and Maintenance	12,145,532	12,411,744	12,979,244	13,455,887	13,334,967	12,829,552	11,708,337	18,843,113	17,275,541	18,003,330
Pupil Transportation	6,882,582	7,208,320	7,662,432	8,568,744	8,795,113	9,526,083	9,437,729	8,081,089	8,727,538	9,193,741
Transfer of Funds to Charter School										26,835
Interest on Long-term Debt	3,169,366	3,388,807	2,624,363	2,523,084	2,351,535	2,275,297	1,973,150	1,891,941	1,812,609	1,204,755
Total Governmental Activities Expenses	122,604,305	132,156,882	138,147,968	140,596,616	145,824,976	142,370,464	144,474,160	157,418,809	154,076,052	174,194,946
			138,147,968							
Business-type Activities:										
Food Service	2,022,327	2,173,224	2,448,537	2,330,937	2,549,194	2,755,703	2,723,024	2,781,829	2,715,133	2,572,797
Reading Recovery	156,326	140,352	128,639	102,660	181,019					
Total Business-type Activities Expense	2,178,653	2,313,576	2,577,176	2,433,597	2,730,213	2,755,703	2,723,024	2,781,829	2,715,133	2,572,797
Total District-wide Expenses	\$ 124,782,958	\$ 134,470,458	\$ 140,725,144	\$ 143,030,213	\$ 148,555,189	\$ 145,126,167	\$ 147,197,184	\$ 160,200,638	\$ 156,791,185	\$ 176,767,743
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 127,618	\$ 37,274	\$ 102,816	\$ 105,474	\$ 193,745	\$ 119,659	\$ 152,670	\$ 250,508	\$ 191,060	\$ 116,408
Pupil Transportation	67,452	62,653	509,564	460,661	381,203	410,614	354,802	396,370	380,036	376,291
Operating Grants and Contributions	10,215,253	7,927,064	18,874,236	14,720,848	15,091,129	12,461,727	13,802,256	17,768,880	15,242,455	39,395,375
Capital Grants and Contributions					372,611	346,650	162,517			147,746
Total Governmental Activities Program Revenues	10,410,323	8,026,991	19,486,616	15,286,983	16,038,688	13,338,650	14,472,245	18,415,758	15,813,551	40,035,820
Business-type Activities:										
Charges for Services:										
Food Service	1,748,563	1,846,837	1,937,443	2,007,144	2,184,883	2,240,979	2,200,165	2,167,181	2,249,837	2,195,219
Reading Recovery	151,278	149,400	79,500	59,750	171,682					
Operating Grants and Contributions	333,012	336,508	385,871	406,704	520,855	599,436	576,163	590,441	585,377	619,433
Total Business-type Activities Program Revenues	2,232,853	2,332,745	2,402,814	2,473,598	2,877,420	2,840,415	2,776,328	2,757,622	2,835,214	2,814,652
Total District-wide Program Revenues	\$ 12,643,176	\$ 10,359,736	\$ 21,889,430	\$ 17,760,581	\$ 18,916,108	\$ 16,179,065	\$ 17,248,573	\$ 21,173,380	\$ 18,648,765	\$ 42,850,472

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue:										
Governmental Activities	\$ (112,193,982)	\$ (124,129,891)	\$ (118,661,352)	\$ (125,309,633)	\$ (129,786,288)	\$ (129,031,814)	\$ (130,001,915)	\$ (139,003,051)	\$ (138,262,501)	\$ (134,159,126)
Business-type Activities	54,200	19,169	(174,362)	40,001	147,207	84,712	53,304	(24,207)	120,081	241,855
Total District-wide Net Expense	<u>\$ (112,139,782)</u>	<u>\$ (124,110,722)</u>	<u>\$ (118,835,714)</u>	<u>\$ (125,269,632)</u>	<u>\$ (129,639,081)</u>	<u>\$ (128,947,102)</u>	<u>\$ (129,948,611)</u>	<u>\$ (139,027,258)</u>	<u>\$ (138,142,420)</u>	<u>\$ (133,917,271)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 95,667,123	\$ 105,178,496	\$ 107,988,805	\$ 110,648,297	\$ 113,403,369	\$ 117,979,825	\$ 119,155,099	\$ 120,346,649	\$ 122,590,785	\$ 124,875,621
Taxes Levied for Debt Service	5,614,907	5,421,866	5,453,251	5,449,937	5,561,671	5,558,329	5,148,576	5,486,480	5,366,434	5,436,412
Unrestricted Grants and Contributions	10,777,185	17,046,777	7,101,010	8,523,642	6,524,733	6,888,481	9,390,146	9,249,215	9,458,124	2,850,589
Investment Earnings	1,150,246	1,062,161	969,516	407,675	126,888	28,675	18,209	16,883	33,070	29,816
Miscellaneous Income	373,364	444,109	466,614	452,231	416,668	1,500,677	707,563	650,907	920,113	1,244,209
Special Item		1,186,324	(2,991,457)	(768,392)	(743,665)	(1,433,689)				
Transfers								15,914		
Total Governmental Activities	<u>113,582,825</u>	<u>130,339,733</u>	<u>118,987,739</u>	<u>124,713,390</u>	<u>125,289,664</u>	<u>130,522,298</u>	<u>134,419,593</u>	<u>135,766,048</u>	<u>138,368,526</u>	<u>134,436,647</u>
Business-type Activities:										
Investment Earnings	8,208	8,489	9,714	4,265	735	281	233	158	529	944
Special Item								(15,914)		
Total Business-type Activities	<u>8,208</u>	<u>8,489</u>	<u>9,714</u>	<u>4,265</u>	<u>735</u>	<u>281</u>	<u>233</u>	<u>(15,756)</u>	<u>529</u>	<u>944</u>
Total District-wide General Revenues and Other Changes in Net Position	<u>\$ 113,591,033</u>	<u>\$ 130,348,222</u>	<u>\$ 118,997,453</u>	<u>\$ 124,717,655</u>	<u>\$ 125,290,399</u>	<u>\$ 130,522,579</u>	<u>\$ 134,419,826</u>	<u>\$ 135,750,292</u>	<u>\$ 138,369,055</u>	<u>\$ 134,437,591</u>
Change in Net Position:										
Governmental Activities	\$ 1,388,843	\$ 6,209,842	\$ 326,387	\$ (596,243)	\$ (4,496,624)	\$ 1,490,484	\$ 4,417,678	\$ (3,237,003)	\$ 106,025	\$ 277,521
Business-type Activities	62,408	27,658	(164,648)	44,266	147,942	84,993	53,537	(39,963)	120,610	242,799
Total District-wide Change in Net Position	<u>\$ 1,451,251</u>	<u>\$ 6,237,500</u>	<u>\$ 161,739</u>	<u>\$ (551,977)</u>	<u>\$ (4,348,682)</u>	<u>\$ 1,575,477</u>	<u>\$ 4,471,215</u>	<u>\$ (3,276,966)</u>	<u>\$ 226,635</u>	<u>\$ 520,320</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
General Fund:										
Reserved	\$ 10,736,255	\$ 13,431,599	\$ 15,185,036	\$ 14,420,458	\$ 7,008,082					
Restricted						\$ 8,587,080	\$ 12,439,313	\$ 18,861,394	\$ 18,390,522	\$ 19,004,015
Committed						415,022	731,545			
Assigned						630,641	2,881,197	1,195,715	1,102,983	936,568
Unassigned	2,136,395	2,205,031	2,815,561	1,772,797	2,025,883	2,733,214	2,839,567	2,699,450	2,963,711	3,090,871
Total General Fund	\$ 12,872,650	\$ 15,636,630	\$ 18,000,597	\$ 16,193,255	\$ 9,033,965	\$ 12,365,957	\$ 18,891,622	\$ 22,756,559	\$ 22,457,216	\$ 23,031,454
All Other Governmental Funds:										
Reserved	\$ 1,869,742	\$ 599,804	\$ 471,956	\$ 658,720	\$ 874,662					
Restricted						\$ 434,481	\$ 154,424	\$ 18,071	\$ 656	\$ 90,956
Committed						60,930	399,425	81,177	1,155,093	723,420
Unreserved, Reported in:										
Capital Projects Fund	2,404,695	1,073,674	193,510	349,081	597,291					
Debt Service Fund	166,964	11,924	1	1	40,379					
Total All Other Governmental Funds	\$ 4,441,401	\$ 1,685,402	\$ 665,467	\$ 1,007,802	\$ 1,512,332	\$ 495,411	\$ 553,849	\$ 99,248	\$ 1,155,749	\$ 814,376
Total Governmental Funds	\$ 17,314,051	\$ 17,322,032	\$ 18,666,064	\$ 17,201,057	\$ 10,546,297	\$ 12,861,368	\$ 19,445,471	\$ 22,855,807	\$ 23,612,965	\$ 23,845,830

* Restated

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$101,282,030	\$110,600,362	\$113,442,056	\$116,098,234	\$118,965,030	\$123,538,154	\$124,303,675	\$125,833,129	\$122,590,785	\$130,312,033
Other Local Governmental Units	258,981	264,296	374,561	354,254	319,551	332,136	324,437	325,638	330,585	317,134
Tuition	127,619	37,274	102,816	105,474	193,745	119,659	152,670	250,508	32,012	116,408
Transportation Fees	66,772	62,653	135,003	106,407	61,652	78,478	30,365	70,732	75,114	59,157
Interest Earned on Capital Reserve Funds	1,150,246	1,062,161	969,516	407,675	126,888	28,675	18,209	16,883	15,437	12,081
Miscellaneous	392,321	444,109	466,614	452,231	507,622	1,659,861	793,574	753,465	1,018,823	1,350,343
State Sources	18,698,668	22,674,756	23,334,501	20,404,250	18,272,618	16,559,947	20,291,348	24,013,627	22,246,750	24,744,565
Federal Sources	2,034,789	2,034,789	2,640,744	2,840,240	3,624,900	2,977,726	2,977,560	2,901,910	16,433	2,617,607
Total Revenue	124,011,426	137,180,400	141,465,811	140,768,765	142,072,006	145,294,636	148,891,838	154,165,892	146,325,939	159,529,328
Expenditures:										
Instruction:										
Regular Instruction	38,308,433	40,949,714	41,691,054	43,180,718	45,766,553	41,294,431	39,449,291	41,760,639	41,563,425	42,794,436
Special Education Instruction	10,214,042	11,441,593	13,177,266	13,921,851	14,229,607	13,874,514	13,827,515	14,850,923	13,694,599	15,487,774
Other Special Instruction										4,547,574
School-Sponsored/Other Instruction	2,851,121	2,972,301	3,243,282	3,526,580	4,055,127	4,862,356	5,187,426	5,689,886	5,991,579	1,697,974
Support Services:										
Tuition	4,436,255	3,681,630	3,353,577	3,262,695	3,939,326	4,134,170	4,404,226	4,741,149	5,256,999	4,626,585
Student & Other Instruction Related Services	12,306,161	12,668,651	13,347,920	14,111,897	12,856,408	12,433,406	12,300,002	13,689,975	13,386,317	14,693,060
General & Business Administrative Services	2,953,429	3,329,859								
General Administrative Services			2,016,463	1,706,263	1,674,956	1,624,811	1,620,467	1,793,016	1,472,656	1,586,392
School Administrative Services	4,470,954	4,651,960	4,802,548	5,062,304	6,976,381	6,634,919	6,307,237	6,339,928	7,148,185	7,148,799
Central Services			1,260,274	1,271,570	1,322,051	1,217,902	1,246,526	1,282,262	1,302,449	1,264,935
Administrative Information Technology			131,113	163,301	159,611	288,178	204,487	434,327	268,100	331,869
Plant Operations and Maintenance	10,320,474	10,862,457	10,916,902	11,192,969	10,917,612	10,423,117	9,335,127	9,723,446	10,899,503	11,237,092
Student Transportation	6,445,028	6,787,301	6,905,133	7,475,322	7,765,596	7,472,374	7,444,376	7,501,432	7,916,397	8,293,917
Allocated Benefits			294,347	315,121	347,661	338,497	428,945	467,234	478,235	520,670
Unallocated Benefits	24,983,247	30,928,762	32,410,044	29,349,663	31,982,157	31,103,657	33,996,934	36,117,969	34,222,333	36,936,615
Transfer of Funds to Charter School				9,197	9,507	11,387			37,996	26,835
Capital Outlay	21,315,398	4,221,285	2,340,312	2,593,696	1,973,130	2,525,259	1,962,635	1,715,820	2,597,735	3,554,088
Debt Service:										
Principal	2,970,921	2,805,921	2,805,921	2,890,921	3,120,921	3,250,921	3,380,921	3,530,921	3,580,921	3,735,000
Interest and Other Charges	2,544,839	2,770,985	2,659,253	2,559,016	2,406,091	2,307,408	3,181,880	2,723,174	1,866,689	1,554,205
Total Expenditures	144,120,302	138,072,419	141,355,409	142,593,084	149,502,695	143,797,307	144,277,995	152,362,101	151,684,118	160,037,820

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess/(Deficit) of Revenues Over/(Under)										
Expenditures	\$ (20,108,876)	\$ (892,019)	\$ 110,402	\$ (1,824,319)	\$ (7,430,689)	\$ 1,497,329	\$ 4,613,843	\$ 1,803,791	\$ (5,358,179)	\$ (508,492)
Other Financing Sources/(Uses):										
Serial Bonds Issued							2,282,257	837,577		16,795,000
Bond Premium							17,165,000	5,940,000		72,394
Serial Bonds Defeased							(18,284,000)	(6,001,000)		(16,120,000)
Bond Issuance Costs										(123,216)
Deferred Interest										(699,155)
NJEDA/SDA Grants	(28,711)									
Capital Leases	728,160	900,000	793,409	799,531	775,928	817,741	807,002	814,055	(1,204,590)	816,334
Transfers									815,816	
Special Item	(18,277)									
Total Other Financing Sources/(Uses)	681,172	900,000	793,409	799,531	775,928	817,741	1,970,259	1,590,632	(388,774)	741,357
Net Change in Fund Balances	<u>\$ (19,427,704)</u>	<u>\$ 7,981</u>	<u>\$ 903,811</u>	<u>\$ (1,024,788)</u>	<u>\$ (6,654,761)</u>	<u>\$ 2,315,070</u>	<u>\$ 6,584,102</u>	<u>\$ 3,394,423</u>	<u>\$ (5,746,953)</u>	<u>\$ 232,865</u>
Debt Service as a % of Noncapital Expenditures	<u>4.49%</u>	<u>4.17%</u>	<u>3.93%</u>	<u>3.89%</u>	<u>3.75%</u>	<u>3.93%</u>	<u>4.61%</u>	<u>4.15%</u>	<u>3.65%</u>	<u>3.38%</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Basis of Accounting)

Fiscal Year Ending June 30,	Interest on Investments	Athletic & Activity Fees	Tuition	Parking Permits	Transportation Fees	Hazardous Transportation Fees	Rentals	Miscellaneous	Total
2006	\$ 666,044		\$ 127,618	\$ 20,880	\$ 67,452		\$ 140,978	\$ 221,633	\$ 1,244,605
2007	1,092,408		37,274	22,185	62,653		181,790	161,736	1,558,046
2008	969,516		102,816	47,520	135,003	\$ 374,561	159,533	238,160	2,027,109
2009	407,676		105,474	47,600	106,407	354,254	125,214	248,110	1,394,735
2010	126,888		193,745	48,005	61,652	319,551	112,879	250,065	1,112,785
2011	28,675	\$ 192,473	119,659	49,980	78,478	332,136	120,411	1,137,813	2,059,625
2012	18,209	287,514	152,670	46,400	30,365	324,437	117,021	242,070	1,218,686
2013	16,884	193,745	250,508	47,900	70,732	325,638	130,712	269,441	1,305,560
2014	33,070	211,847	191,060	48,000	49,451	330,585	72,503	535,455	1,471,971
2015	29,816	206,402	116,408	39,510	59,157	317,134	167,346	830,951	1,766,724

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
<u>Township of Bridgewater</u>													
2005	\$ 120,570,400	\$ 6,256,325,400	\$ 5,860,400	\$ 130,600	\$ 1,647,929,200	\$ 365,279,800	\$ 44,081,300	\$ 8,440,177,100	\$ 9,839,533	\$ 8,450,016,633	\$ 498,034,500	\$ 1.05	\$ 9,089,462,141
2006	135,876,200	6,778,949,600	6,224,700	126,700	1,723,683,100	365,904,900	47,851,100	9,058,616,300	9,117,403	9,067,733,703	522,577,900	1.04	9,400,492,772
2007	139,533,300	6,852,458,800	6,313,200	122,100	1,757,447,900	364,458,400	48,401,800	9,168,735,500	9,305,420	9,178,040,920	529,397,700	1.10	10,107,382,460
2008	119,347,100	6,733,962,500	5,689,900	121,700	1,804,513,500	366,284,400	48,523,200	9,078,442,300	10,321,568	9,088,763,868	538,193,500	1.11	9,880,225,511
2009	112,038,700	6,488,662,400	6,761,700	122,200	1,837,224,700	375,112,800	52,439,500	8,872,362,000	11,307,448	8,883,669,448	546,825,900	1.16	9,652,629,157
2010	104,974,600	6,278,722,100	6,547,300	122,200	1,824,068,900	417,412,900	52,336,300	8,684,184,300	12,662,084	8,696,846,384	583,951,900	1.22	10,448,531,025
2011	94,751,000	6,095,715,300	6,385,600	122,200	1,713,746,500	454,103,800	51,256,400	8,416,080,800	10,752,577	8,426,833,377	618,611,400	1.30	9,167,227,143
2012	93,049,400	6,103,102,700	6,385,600	121,200	1,741,513,700	467,203,800	51,256,400	8,462,632,800	10,720,405	8,473,353,205	624,502,700	1.32	9,073,523,515
2013	91,159,500	5,884,075,400	5,725,100	116,100	1,662,956,200	381,478,600	64,053,900	8,089,564,800	10,951,801	8,100,516,601	628,796,300	1.39	8,663,221,660
2014	86,915,900	5,941,045,400	5,674,400	116,100	1,664,998,000	346,979,600	65,336,400	8,111,065,800	8,288,494	8,119,354,294	629,987,000	1.41	8,655,157,455
<u>Borough of Raritan</u>													
2005	\$ 10,361,600	\$ 608,188,134			\$ 202,898,295	\$ 304,355,115	\$ 1,898,600	\$ 1,127,701,744	\$ 2,716,273	\$ 1,130,418,017	\$ 41,177,480	\$ 0.96	\$ 1,091,117,773
2006	10,395,650	608,522,634			217,894,686	309,623,219	1,898,600	1,148,334,789	1,690,412	1,150,025,201	41,177,480	1.00	1,191,220,610
2007	10,395,650	606,998,134			215,552,677	305,298,868	1,898,600	1,140,143,929	1,177,566	1,141,321,495	41,117,480	1.12	1,272,247,081
2008	10,612,600	608,953,934			251,226,741	278,406,500	1,898,600	1,151,098,375	1,177,566	1,152,275,941	41,799,580	1.13	1,281,119,204
2009	12,026,950	609,492,434			237,652,841	276,551,500	1,898,600	1,137,622,325	1,539,530	1,139,161,855	43,482,050	1.23	1,333,731,647
2010	11,579,600	611,784,284			237,416,923	276,551,500	1,898,600	1,139,230,907	1,718,485	1,140,949,392	43,067,450	1.27	1,370,898,190
2011	11,385,200	611,721,584			237,926,357	276,551,500	1,898,600	1,139,483,241	1,718,485	1,141,201,726	43,594,150	1.27	1,295,168,774
2012	11,711,500	611,088,984			237,925,357	276,551,500	1,898,600	1,139,175,941	1,601,370	1,140,777,311	43,619,950	1.29	1,242,625,011
2013	9,067,400	609,609,984			237,740,974	276,551,500	3,956,100	1,136,925,958	1,646,255	1,138,572,213	43,857,950	1.29	1,192,239,046
2014	9,323,900	608,734,384			237,683,074	276,534,100	25,670,300	1,157,945,758	1,407,412	1,159,353,170	43,601,450	1.26	1,132,375,825

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation.

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

^b Tax rates are per \$100 of assessed value.

Exhibit J-7
1 of 2

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

(Rate per \$100 of Assessed Value)

Year Ended December 31,	Township of Bridgewater School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Bridgewater	Somerset County	
2005	\$ 0.99	\$ 0.06	\$ 1.05	\$ 0.24	\$ 0.41	\$ 1.69
2006	0.99	0.05	1.04	0.23	0.37	1.64
2007	1.04	0.06	1.10	0.23	0.38	1.70
2008	1.06	0.05	1.11	0.25	0.37	1.72
2009	1.11	0.05	1.16	0.25	0.36	1.78
2010	1.17	0.06	1.22	0.22	0.40	1.85
2011	1.24	0.06	1.30	0.24	0.39	1.93
2012	1.27	0.06	1.32	0.25	0.40	1.97
2013	1.33	0.06	1.39	0.26	0.41	2.05
2014	1.35	0.06	1.41	0.26	0.42	2.09

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a General Fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

^b Rates for debt service are based on each year's requirements.

Source: Township of Bridgewater Tax Collector and School Business Administrator.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	Borough of Raritan School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Raritan	Somerset County	
2005	\$ 0.92	\$ 0.04	\$ 0.96	\$ 0.47	\$ 0.33	\$ 1.76
2006	0.95	0.05	1.00	0.50	0.34	1.83
2007	1.08	0.04	1.12	0.55	0.34	2.01
2008	1.07	0.05	1.13	0.58	0.34	2.04
2009	1.17	0.06	1.23	0.59	0.35	2.17
2010	1.21	0.06	1.27	0.62	0.36	2.25
2011	1.21	0.06	1.27	0.64	0.36	2.27
2012	1.24	0.05	1.29	0.64	0.35	2.29
2013	1.24	0.06	1.29	0.65	0.35	2.29
2014	1.21	0.05	1.26	0.65	0.34	2.25

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a General Fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

^b Rates for debt service are based on each year's requirements.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

Township of Bridgewater

<u>Taxpayer</u>	<u>2014</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Bridgewater Commons Mall	\$ 203,450,000	1	2.51%
Arc HR5SNFI001 SPE LLC	100,960,000	2	1.24%
Bridgewater ODC-Goldman Sachs	65,500,000	3	0.81%
724 Rt 202 Associates	57,500,000	4	0.71%
Metlife	55,173,400	5	0.68%
Somerset Corporate Center	53,400,000	6	0.66%
CIP 11/AR	45,000,000	7	0.55%
CNL Bridgewater Hotel Partnership	44,400,000	8	0.55%
SCC III, LLC	42,850,000	9	0.53%
Piedmont-Bridgewater NJ LLC	38,020,000	10	0.47%
Total	\$ 706,253,400		8.70%

<u>Taxpayer</u>	<u>2005</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
INFORMATION IS NOT AVAILABLE			

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

Borough of Raritan

<u>Taxpayer</u>	<u>2014</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Ortho Pharmaceutical Corp.	\$ 4,427,927	1	0.38%
Ortho Diagnostic Systems Inc.	1,257,614	2	0.11%
J&J Information Technology Services	1,044,363	3	0.09%
Raritan Town Center, LLC	955,314	4	0.08%
Bridge Walk, LLC	545,274	5	0.05%
Roche Bio-Medical	382,446	6	0.03%
Levin Management Corp.	343,722	7	0.03%
Raritan Shop Center, NJ Mort Acq, LLC	338,026	8	0.03%
Ortho Bio-Tech Inc.	283,455	9	0.02%
Raritan Johnson Associates, LLC	219,609	10	0.02%
Total	<u>\$ 9,797,750</u>		<u>0.85%</u>

<u>Taxpayer</u>	<u>2005</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
INFORMATION IS NOT AVAILABLE			

Exhibit J-9

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy^a</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
<u>Township of Bridgewater</u>				
2006	\$ 94,350,919	\$ 94,350,919	100.00%	\$ -0-
2007	100,637,326	100,637,326	100.00%	-0-
2008	101,699,856	101,699,856	100.00%	-0-
2009	103,448,998	103,448,998	100.00%	-0-
2010	104,285,836	104,285,836	100.00%	-0-
2011	109,277,843	109,277,843	100.00%	-0-
2012	109,681,945	109,681,945	100.00%	-0-
2013	111,300,325	111,300,325	100.00%	-0-
2014	113,045,651	113,045,651	100.00%	-0-
2015	116,027,179	111,394,400	96.01%	4,632,779
<u>Borough of Raritan</u>				
2006	\$ 11,465,407	\$ 11,465,407	100.00%	\$ -0-
2007	12,726,330	12,726,330	100.00%	-0-
2008	12,837,698	12,837,698	100.00%	-0-
2009	13,383,676	13,383,676	100.00%	-0-
2010	14,679,194	14,679,194	100.00%	-0-
2011	14,415,304	14,415,304	100.00%	-0-
2012	14,621,730	14,621,730	100.00%	-0-
2013	14,532,804	14,532,804	100.00%	-0-
2014	14,911,568	14,911,568	100.00%	-0-
2015	14,284,854	13,144,111	92.01%	1,140,743

^a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: Township of Bridgewater and Borough of Raritan School District records including the Certificate and Report of School Taxes (A4F form).

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities Capital Leases	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans	Obligations Under Capital Leases				
2006	\$ 68,895,000	\$ 47,368	\$ 728,160	\$ -0-	\$ 69,670,528	9.13%	\$ 3,782
2007	66,095,000	41,447	939,818	-0-	67,076,265	1.94%	1,321
2008	63,295,000	35,526	793,409	-0-	64,123,935	1.74%	1,244
2009	60,410,000	29,605	799,531	-0-	61,239,136	1.61%	1,177
2010	57,300,000	23,684	791,636	-0-	58,115,320	1.59%	1,104
2011	54,055,000	17,763	796,395	-0-	54,869,158	1.53%	1,067
2012	49,561,000	11,842	800,193	-0-	50,373,035	1.34%	975
2013	45,975,000	5,921	808,282	-0-	46,789,203	1.17%	899
2014	42,400,000	-0-	812,154	-0-	43,212,154	1.05%	818
2015	39,340,000	-0-	813,262	-0-	40,153,262	0.98%	758

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Exhibit J-11

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 68,895,000	\$ -0-	\$ 68,895,000	0.72%	\$ 3,740
2007	66,095,000	-0-	66,095,000	0.65%	1,302
2008	63,295,000	-0-	63,295,000	0.61%	1,228
2009	60,410,000	-0-	60,410,000	0.59%	1,161
2010	57,300,000	-0-	57,300,000	0.57%	1,088
2011	54,055,000	-0-	54,055,000	0.55%	1,051
2012	49,561,000	-0-	49,561,000	0.52%	960
2013	45,975,000	-0-	45,975,000	0.48%	883
2014	42,400,000	-0-	42,400,000	0.46%	803
2015	39,340,000	-0-	39,340,000	0.42%	742

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: Bridgewater-Raritan Regional School District Financial Reports.

Exhibit J-12

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Township of Bridgewater	\$ 63,383,382	100.000%	\$ 63,383,382
Borough of Raritan	4,409,332	100.000%	4,409,332
Somerset County General Obligation Debt:			
Township of Bridgewater Share	170,821,882	15.351%	26,222,688
Borough of Raritan Share	170,821,882	2.008%	<u>3,430,780</u>
Subtotal, Overlapping Debt			97,446,182
Bridgewater-Raritan Regional School District Direct Debt			<u>41,598,262</u>
Total Direct and Overlapping Debt			<u>\$ 139,044,444</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Bridgewater and Raritan. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

Sources: Assessed value data used to estimate applicable percentages provided by the Somerset County Board of Taxation; debt outstanding data provided by each governmental unit.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 420,585,427	\$ 433,328,403	\$ 439,115,519	\$ 444,536,484	\$ 443,986,864	\$ 441,689,106	\$ 424,568,961	\$ 363,986,184	\$ 413,236,614	\$ 405,636,154
Total Net Debt Applicable to Limit	<u>68,895,000</u>	<u>66,095,000</u>	<u>63,295,000</u>	<u>60,410,000</u>	<u>57,300,000</u>	<u>54,055,000</u>	<u>49,561,000</u>	<u>45,975,000</u>	<u>42,400,000</u>	<u>39,340,000</u>
Legal Debt Margin	<u>\$ 351,690,427</u>	<u>\$ 367,233,403</u>	<u>\$ 375,820,519</u>	<u>\$ 384,126,484</u>	<u>\$ 386,686,864</u>	<u>\$ 387,634,106</u>	<u>\$ 375,007,961</u>	<u>\$ 318,011,184</u>	<u>\$ 370,836,614</u>	<u>\$ 366,296,154</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	16.38%	15.25%	14.41%	13.59%	12.91%	12.24%	11.67%	12.63%	10.26%	9.70%

Legal Debt Margin Calculation for Fiscal Year 2015

	Township of Bridgewater	Borough of Raritan	Total
Equalized valuation basis:			
2014	\$9,092,103,800	\$1,160,731,514	\$10,252,835,314
2013	8,932,823,322	1,099,435,217	10,032,258,539
2012	8,956,390,052	1,181,227,645	10,137,617,697
			<u>\$30,422,711,550</u>
Average Equalized Valuation of Taxable Property			<u>\$10,140,903,850</u>
Debt Limit (4% of average equalization value) ^a			\$ 405,636,154
Net Bonded School Debt			<u>39,340,000</u>
Legal Debt Margin			<u>\$ 366,296,154</u>

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Township of Bridgewater

<u>Year</u>	<u>Population^a</u>	<u>Somerset County Per Capita Personal Income^b</u>	<u>Township of Bridgewater Personal Income^c</u>	<u>Unemployment Rate^d</u>
2006	43,913	\$ 68,181	\$ 2,994,032,253	3.00%
2007	44,381	71,677	3,181,096,937	2.70%
2008	44,519	73,011	3,250,376,709	4.10%
2009	45,076	69,406	3,128,544,856	7.40%
2010	44,536	69,906	3,113,333,616	7.40%
2011	44,722	72,704	3,251,468,288	7.10%
2012	45,121	76,918	3,470,617,078	7.40%
2013	45,079	77,685	3,501,962,115	6.30%
2014	44,903	77,685 *	3,488,289,555 ***	5.10%
2015	44,903 **	77,685 *	3,488,289,555 ***	N/A

* - Latest Somerset County per capita personal income available (2013) was used for calculation purposes.

** - Latest population data available (2014) was used for calculation purposes.

*** - Latest available population data (2014) and latest available Somerset County per capita personal income (2013) was used for calculation purposes.

N/A - Information is not available.

Sources:

- ^a Population information provided by the NJ Department of Labor and Workforce Development.
- ^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- ^c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Borough of Raritan</u>					
<u>Year</u>	<u>Population^a</u>	<u>Somerset County Per Capita Personal Income^b</u>	<u>Borough of Raritan Personal Income^c</u>	<u>Unemployment Rate^d</u>	
2006	6,863	\$ 68,181	\$ 467,926,203		3.00%
2007	7,166	71,677	513,637,382		2.70%
2008	7,501	73,011	547,655,511		4.10%
2009	7,571	69,406	525,472,826		7.40%
2010	6,896	69,906	482,071,776		7.40%
2011	6,925	72,704	503,475,200		7.10%
2012	6,944	76,918	534,118,592		7.40%
2013	7,725	77,685	600,116,625		6.30%
2014	8,098	77,685 *	629,093,130 ***		5.10%
2015	8,098 **	77,685 *	629,093,130 ***		N/A

* - Latest Somerset County per capita personal income available (2013) was used for calculation purposes.

** - Latest population data available (2014) was used for calculation purposes.

*** - Latest available population data (2014) and latest available Somerset County per capita personal income (2013) was used for calculation purposes.

N/A - Information is not available.

Sources:

- ^a Population information provided by the NJ Department of Labor and Workforce Development.
- ^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- ^c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF SOMERSET
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	Employees	Rank	Percentage of Total Employment
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INFORMATION IS NOT AVAILABLE

Employer	Employees	Rank (Optional)	Percentage of Total Employment
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INFORMATION IS NOT AVAILABLE

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	609	620	643	651	654	597	593	624	662	613
Special Education	241	289	274	267	272	266	241	249	205	262
Support Services:										
Student & Instruction Related Services	198	181	184	189	189	156	170	163	166	166
School Administration	65	67	69	70	70	78	78	76	78	82
General Administration	4	4	4	5	5	5	5	5	5	5
Central Services	20	19	18	19	19	17	17	17	21	17
Plant Operations and Maintenance	155	136	138	139	138	30	30	45	38	45
Pupil Transportation	30	28	27	27	27	28	28	27	27	27
Total	<u>1,322</u>	<u>1,344</u>	<u>1,357</u>	<u>1,367</u>	<u>1,374</u>	<u>1,177</u>	<u>1,162</u>	<u>1,206</u>	<u>1,202</u>	<u>1,217</u>

Source: Bridgewater-Raritan Regional School District Financial Reports.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2006	8,990	\$ 117,289,144	\$13,047	7.36%	850	N/A	N/A	N/A	8,990	8,641	2.15%	96.12%
2007	8,951	128,274,228	14,331	9.84%	825	N/A	N/A	N/A	8,951	8,864	-0.43%	99.03%
2008	9,133	133,549,923	14,623	2.04%	917	N/A	N/A	N/A	9,133	8,764	2.03%	95.96%
2009	9,126	134,549,451	14,744	0.83%	918	9:1	N/A	11:1	9,126	8,760	-0.08%	95.99%
2010	9,110	142,002,553	15,588	5.72%	926	9:1	10:1	11:1	9,092	8,724	-0.37%	95.95%
2011	8,953	135,713,719	15,158	-2.75%	863	10:1	10:1	11:1	8,854	8,501	-2.62%	96.01%
2012	8,827	135,752,559	15,379	1.46%	834	10:1	10:1	11:1	8,706	8,362	-1.67%	96.05%
2013	8,697	144,392,186	16,603	7.95%	873	N/A	N/A	N/A	8,619	8,280	-1.00%	96.07%
2014	8,642	143,638,773	16,621	0.11%	867	N/A	N/A	N/A	8,527	8,210	-1.07%	96.28%
2015	8,439	151,194,527	17,916	7.79%	900	N/A	N/A	N/A	8,451	8,158	-0.89%	96.53%

Note: Enrollment based on annual October District count.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Cost Per Pupil calculated above is the sum of operating expenditures divided by enrollment. This may be different from the State's Cost Per Pupil calculations.

^c Teaching staff includes only full-time equivalents of certificated staff.

^d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

N/A Information is not available.

Source: Bridgewater-Raritan Regional School District Financial Reports.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Adamsville (1953)										
Square Feet	69,996	69,996	69,996	69,996	69,996	69,996	69,996	69,996	69,996	69,996
Capacity (Students)	501	501	501	501	501	501	501	501	501	501
Enrollment	397	397	520	559	550	572	603	505	537	538
Bradley Gardens (1955)										
Square Feet	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150
Capacity (Students)	340	340	340	340	340	340	340	340	340	340
Enrollment	302	302	352	353	364	326	295	283	293	291
Crim (1968)										
Square Feet	47,140	47,140	47,140	47,140	47,140	47,140	47,140	47,140	47,140	47,140
Capacity (Students)	340	340	340	340	340	340	340	340	340	340
Enrollment	425	425	456	465	442	421	402	409	356	344
Eisenhower (1967)										
Square Feet	92,850	92,850	92,850	92,850	92,850	92,850	92,850	92,850	92,850	92,850
Capacity (Students)	653	653	653	653	653	653	653	653	653	653
Enrollment - PSD	790	790	843	854	846	890	885	811	766	773
Hamilton (1965)										
Square Feet	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
Capacity (Students)	370	370	370	370	370	370	370	370	370	370
Enrollment	405	366	458	463	456	410	395	470	499	475
Hillside (1961)										
Square Feet	73,070	73,070	73,070	73,070	73,070	73,070	73,070	73,070	73,070	73,070
Capacity (Students)	519	515	515	515	515	515	515	515	515	515
Enrollment - PSD	655	655	698	600	576	576	588	599	598	578
John F. Kennedy (1963)										
Square Feet	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500
Capacity (Students)	320	320	320	320	320	320	320	320	320	320
Enrollment	417	417	518	494	466	444	407	414	412	427
Milltown (2006)										
Square Feet	52,832	52,832	52,832	52,832	52,832	52,832	52,832	52,832	52,832	52,832
Capacity (Students)	498	498	498	498	498	498	498	498	498	498
Enrollment	452	452	575	551	531	519	501	460	433	430
Van Holten (1963)										
Square Feet	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200
Capacity (Students)	321	321	321	321	321	321	321	321	321	321
Enrollment - PSD	415	415	485	476	491	431	421	431	440	397
Middle School (1966)										
Square Feet	240,120	240,120	240,120	240,120	240,120	240,120	240,120	240,120	240,120	240,120
Capacity (Students)	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304
Enrollment - PSD	2,174	2,174	1,446	1,482	1,522	1,450	1,423	1,484	1,474	1,409
Bridgewater-Raritan High School (1964)										
Square Feet	331,390	331,390	331,390	331,390	331,390	331,390	331,390	331,390	331,390	331,390
Capacity (Students)	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604
Enrollment - PSD	2,558	2,558	2,782	2,829	2,866	2,914	2,907	2,831	2,834	2,777
Maintenance/Transportation Building										
Square Feet	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120
Central Administration (1959)										
Square Feet	31,120	31,120	31,120	31,120	31,120	31,120	31,120	31,120	31,120	31,120

Number of Schools at June 30, 2015

Elementary = 7
Intermediate = 2
Middle School = 1
High School = 1
Other = 2

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities*
 Account Number 11-000-261-XXX

Fiscal Year Ended June 30,	Adamsville Elementary School	Bradley Gardens Elementary School	Crim Elementary School	Eisenhower Elementary School	Hamilton Elementary School	Hillside Elementary School	JFK Elementary School	Milltown Elementary School	Van Holten Elementary School	Bridgewater-Raritan Middle School	Bridgewater-Raritan High School	Central Administration & Maintenance/Transportation	Total
2006	\$ 101,757	\$ 66,634	\$ 92,707	\$ 122,688	\$ 55,079	\$ 111,305	\$ 79,749	\$ 63,595	\$ 78,028	\$ 299,241	\$ 482,265		\$ 1,553,048
2007	81,211	65,706	72,468	150,361	55,492	112,788	83,231	71,805	78,114	328,450	582,199		1,681,825
2008	84,221	81,920	78,165	160,318	59,629	129,623	61,227	75,502	75,291	305,058	571,524	\$ 41,758	1,724,236
2009	90,369	67,517	78,030	156,752	85,777	122,573	59,950	90,233	82,310	319,615	504,268	42,301	1,699,695
2010	112,282	75,504	78,136	164,038	65,060	128,167	76,952	73,569	69,409	326,267	454,015	40,778	1,664,177
2011	70,611	64,150	64,286	178,517	60,090	116,710	66,226	68,006	51,362	306,793	459,489	40,227	1,546,467
2012	107,414	72,402	69,606	155,785	65,517	116,924	87,454	73,690	61,130	288,380	516,083	40,577	1,654,962
2013	94,535	58,981	49,567	150,823	73,682	151,304	77,058	122,796	64,944	253,135	462,622	38,104	1,597,551
2014	75,231	70,822	60,890	144,500	90,887	116,244	78,913	79,769	71,460	299,761	572,005	32,294	1,692,776
2015	136,310	76,963	67,424	141,184	56,982	114,373	63,404	75,384	57,447	305,085	545,181	38,877	1,678,614

* School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3).

Exhibit J-20

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2015.
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
New Jersey School Insurance Group:		
School Package Policy:		
Building & Personal Property	\$ 232,800,334	\$ 5,000
Environmental Package	1,000,000	various
General Liability	6,000,000	1,000
Automobile Liability	6,000,000	
Auto Physical Damage	ACV basis (replacement cost on buses)	1,000
Beazley Breach Response Services	1,000,000	various
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
EDP	2,000,000	1,000
Equip Breakdown	100,000,000	5,000
Crime & Bonds:		
Faithful Performance	250,000	1,000
Forgery & Aleration	100,000	1,000
Money & Securities	100,000	1,000
Money orders/ Counterfeit	25,000	500
Computer Fraud	50,000	500
Errors & Omissions	6,000,000	10,000
Workers' Compensation:	Statutory	
Employer's Liability	2,000,000	
Supplemental Indemnity	Not Included	
Bollinger Insurance:		
Student Accident	5,000,000	250
Public Officials' Bonds - Selective Insurance Company of America:		
Treasurer of School Monies	575,000	1,000
School Business Administrator/Board Secretary	2,000	500

Source: Bridgewater-Raritan Regional School District Financial Reports.

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Report on Internal Control over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Bridgewater-Raritan Regional School District
 County of Somerset, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Bridgewater-Raritan Regional School District, in the County of Somerset (the "District") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nisivoccia, LLP

December 3, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
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Report on Compliance For Each Major Federal and State Program
 and Report on Internal Control Over Compliance Required by
 OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Bridgewater-Raritan Regional School District
 County of Somerset, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Bridgewater-Raritan Regional School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

The Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
Page 2

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

Nisivoccia, LLP

December 3, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2014			Cash Received	Budgetary Expendi- tures	Adjust- ments	Balance at June 30, 2015		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
<u>U.S. Department of Agriculture:</u>													
Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
Food Distribution Program	10.555	N/A	7/1/14-6/30/15	\$ 139,910			\$ 139,910	\$ (123,635)				\$ 16,275	
Food Distribution Program	10.555	N/A	7/1/13-6/30/14	114,412		\$ 12,701		(12,701)					
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	447,079			419,610	(447,079)			\$ (27,469)		
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	440,714	\$ (26,756)		26,756						
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	12,019			11,149	(12,019)			(870)		
School Breakfast Program	10.553	N/A	7/1/13-6/30/14	4,167	(385)		385						
Total Child Nutrition Cluster					(27,141)	12,701	597,810	(595,434)			(28,339)	16,275	
Total U.S. Department of Agriculture					(27,141)	12,701	597,810	(595,434)			(28,339)	16,275	
<u>U.S. Department of Education:</u>													
No Child Left Behind:													
Title I	84.010	NCLB055515	7/1/14-6/30/15	286,954			118,230	(281,228)			(162,998)		
Title I	84.010	NCLB055514	7/1/13-6/30/14	263,863	(111,400)		111,400						
Total Title I					(111,400)		229,630	(281,228)			(162,998)		
Title IIA	84.367	NCLB055515	7/1/14-6/30/15	122,148			77,225	(116,599)			(39,374)		
Title IIA	84.367	NCLB055514	7/1/13-6/30/14	135,808	(51,632)		51,632						
Title IIA	84.367	NCLB055511	9/1/10-8/31/11	157,308	(3,914)				\$ 3,914				
Total Title II					(55,546)		128,857	(116,599)	3,914		(39,374)		
Title IID	84.318	NCLB055513	9/1/12-8/31/13	1,308	(1,307)						(1,307)		
Title IID	84.318	NCLB055512	9/1/11-8/31/12	2,665	(20)					20			
Total Title IID					(1,327)					20	(1,307)		
Title III	84.365	NCLB055515	7/1/14-6/30/15	49,145			24,593	(41,032)			(16,439)		
Title III	84.365	NCLB055514	7/1/13-6/30/14	50,292	(19,224)		19,224						
Total Title III					(19,224)		43,817	(41,032)			(16,439)		
Title III - Immigrant	84.365	NCLB055514	7/1/13-6/30/14	26,398	(16,398)		16,398						
Title III - Immigrant	84.365	NCLB055510	9/1/09-8/31/10	40,914		\$ 100							\$ 100
Total Title III					(16,398)	100	16,398						100
Special Education Cluster:													
I.D.E.A. Part B, Basic	84.027	IDEA055515	7/1/14-6/30/15	1,933,024			1,457,621	(1,813,812)			(356,191)		
I.D.E.A. Part B, Basic	84.027	IDEA055514	7/1/13-6/30/14	1,979,491	(331,368)		331,368						
I.D.E.A. Preschool	84.173	IDEA055515	7/1/14-6/30/15	108,499			34,449	(75,424)			(40,975)		
I.D.E.A. Preschool	84.173	IDEA055514	7/1/13-6/30/14	121,271	(47,347)		45,447				(1,900)		
I.D.E.A. Preschool	84.173	IDEA055513	9/1/12-8/31/13	120,703					19,200				19,200
I.D.E.A. Preschool	84.173	ARRA055511	9/1/09-8/31/11	72,583					1				1
Total Special Education Cluster					(378,715)		19,201	1,868,885	(1,889,236)		(399,066)		19,201

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2014			Cash Received	Budgetary Expendi- tures	Adjust- ments	Balance at June 30, 2015		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
<u>U.S. Department of Education:</u>													
<u>Special Revenue Fund:</u>													
Passed-through State Department of Education:													
State Fiscal Stabilization Fund (SFSF):													
ARRA - Race-to-the-Top	84.395	N/A	9/1/10-11/30/15	\$ 19,289	\$ (19,289)		\$ 19,291	\$ (2)					
Total State Fiscal Stabilization Fund (SFSF)					(19,289)		19,291	(2)					
Subtotal - Special Revenue Fund					(601,899)		\$ 19,301	2,306,878	(2,328,097)	\$ 3,934	\$ (619,184)		\$ 19,301
Total U.S. Department of Education					(601,899)		19,301	2,306,878	(2,328,097)	3,934	(619,184)		19,301
<u>U.S. Department of Health and Human Services:</u>													
Medicaid Assistance Program	93.778	N/A	7/1/14-6/30/15	77,024			77,024	(77,024)					
Medicaid Assistance Program	93.778	N/A	7/1/12-6/30/13	54,868			54,868	(54,868)					
Medicaid Assistance Program	93.778	N/A	7/1/11-6/30/12	35,376			35,376	(35,376)					
ARRA - Medicaid Assistance Program	93.778	N/A	10/01/08-12/31/10	13,983			13,983	(13,983)					
Total U.S. Department of Health and Human Services							181,251	(181,251)					
Total Federal Awards					\$ (629,040)	\$ 12,701	\$ 19,301	\$ 3,085,939	\$ (3,104,782)	\$ 3,934	\$ (647,523)	\$ 16,275	\$ 19,301

N/A - Not Applicable

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund State Aid:												
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 2,091,882			\$ 1,889,926	\$ (2,091,882)				\$ (201,956)	\$ 2,091,882
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	804,953			727,241	(804,953)				(77,712)	804,953
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	5,509,599			4,977,688	(5,509,599)				(531,911)	5,509,599
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	680,923			615,185	(680,923)				(65,738)	680,923
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1			1	(1)					1
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	83,490			75,430	(83,490)				(8,060)	83,490
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	83,490			75,430	(83,490)				(8,060)	83,490
Extraordinary Special Education Costs Aid	15-100-034-5120-473	7/1/14-6/30/15	1,168,964				(1,168,964)		\$ (1,168,964)		(1,168,964)	1,168,964
Excess Nonpublic Transportation Costs	15-495-034-5120-014	7/1/14-6/30/15	68,657				(68,657)				(68,657)	68,657
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	4,848,341			4,607,923	(4,848,341)				(240,418)	4,848,341
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	2,091,882	\$ (203,752)		203,752						2,091,882
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	804,953	(78,421)		78,421						804,953
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	5,509,599	(536,643)		536,643						5,509,599
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	680,923	(66,295)		66,295						680,923
Extraordinary Special Education Costs Aid	14-100-034-5120-473	7/1/13-6/30/14	1,090,867	(1,090,867)		1,102,258	(11,391)					1,090,867
Excess Nonpublic Transportation Costs	14-495-034-5120-014	7/1/13-6/30/14	65,351	(65,351)		65,351						65,351
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	4,830,710	(241,633)		241,633						4,830,710
Subtotal - General Fund				(2,282,962)		15,263,177	(15,351,691)			(1,478,039)	(2,371,476)	30,414,585
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	33,682			33,682	(25,530)			\$ 8,152		25,530
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	30,902		\$ 1,370			\$ (1,370)				29,532
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	731			731	(640)			91		640
English as a Second Language	14-100-034-5120-067	7/1/13-6/30/14	5,238		1,048			(1,048)				4,190
Nonpublic Handicapped Services:												
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	8,475			8,475	(6,748)			1,727		6,748
Supplementary Instruction	14-100-034-5120-066	7/1/13-6/30/14	5,551		903			(903)				4,648
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	43,292			43,292	(20,409)			22,883		20,409
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	43,747		23,436			(23,436)				20,311
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	24,306			24,306	(23,046)			1,260		23,046
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	17,987		639			(639)				17,348
N.J. Nonpublic Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	25,441			25,441	(22,361)			3,080		22,361
N.J. Nonpublic Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	22,435		875			(875)				21,560
N.J. Nonpublic Nursing Aid	15-100-034-5120-070	7/1/14-6/30/15	40,594			40,594	(33,946)			6,648		33,946
N.J. Nonpublic Nursing Aid	14-100-034-5120-070	7/1/13-6/30/14	32,579		3,143			(3,143)				29,436
N.J. Nonpublic Technology Initiative	15-100-034-5120-373	7/1/14-6/30/15	13,664			13,664	(9,283)			4,381		9,283
N.J. Nonpublic Technology Initiative	14-100-034-5120-373	7/1/13-6/30/14	8,040		2,402			(2,402)				5,638
Subtotal - Special Revenue Fund					33,816	190,185	(141,963)	(33,816)		48,222		274,626

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<u>State Department of Education:</u>												
Food Service Fund:												
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	\$ 23,999			\$ 22,476	\$ (23,999)		\$ (1,523)		\$ (1,523)	\$ 23,999
State School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	24,350	\$ (1,458)		1,458						24,350
Subtotal - Food Service Fund				(1,458)		23,934	(23,999)		(1,523)		(1,523)	50,624
Total State Department of Education				(2,284,420)	\$ 33,816	15,477,296	(15,517,653)	\$ (33,816)	(1,479,562)	\$ 48,222	(2,372,999)	30,739,835
<u>NJ Schools Development Authority:</u>												
Capital Projects Fund:												
Educational Facilities Construction and Financing Act:												
High School Chiller Replacement	0555-005-13-2001	4/30/14-6/30/16	208,800			147,746	(147,746)					147,746
Total NJ Schools Development Authority						147,746	(147,746)					147,746
Total State Awards				\$ (2,284,420)	\$ 33,816	\$ 15,625,042	\$ (15,665,399)	\$ (33,816)	\$ (1,479,562)	\$ 48,222	\$ (2,372,999)	\$ 30,887,581

N/A - Not Applicable/Available

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Bridgewater-Raritan Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2015. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$8,326) for the general fund and \$108,259 for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include the TPAF On-Behalf Pension Contributions and on-behalf TPAF Post Retirement Contributions revenue of \$3,521,348 and \$5,590,143 respectively. Revenue from federal and state awards is reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 181,251	\$ 24,454,856	\$ 24,636,107
Special Revenue Fund	2,436,356	141,963	2,578,319
Capital Projects Funds		147,746	147,746
Food Service Fund	595,434	23,999	619,433
Total Awards	<u>\$ 3,213,041</u>	<u>\$ 24,768,564</u>	<u>\$ 27,981,605</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2015.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA GRANTS)

The District has been awarded a \$208,800 grant in the Capital Projects Fund from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, \$147,746 of the grant fund has been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported under the NJSDA on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510(a) of Federal OMB Circular A-133.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	<u>C.F.D.A./</u> <u>State Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/14-6/30/15	\$ 1,933,024	\$ 1,813,812
I.D.E.A. Preschool	84.173	7/1/14-6/30/15	108,499	75,424
<u>State:</u>				
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	2,091,882	2,091,882
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	5,509,599	5,509,599
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	680,923	680,923
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1	1
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	83,490	83,490
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	83,490	83,490

- The threshold used for distinguishing between Type A and Type B federal programs was \$300,000.
- The threshold used for distinguishing between Type A and Type B state programs was \$469,962.
- The District was determined to be a "low-risk" auditee for federal and state programs.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Summary of Auditors' Results: (Cont'd)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the federal Circular.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular and New Jersey's OMB Circulars 04-04 and 15-08.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

The District had no prior year audit findings.